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SAN FRANCISCO PORT COMMISSION

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Monique Moyer, Executive Director
Phone: 415-274-0400; Fax: 415-274-0412

Amy Quesada, Commission Secretary
Phone: 415-274-0406; Fax: 415-274-0412

AGENDA
TUESDAY, JULY 12, 2011
2:00 P.M. CLOSED SESSION
3:15 P.M. OPEN SESSION
PORT COMMISSION HEARING ROOM, SECOND FLOOR
FERRY BUILDING, SAN FRANCISCO, CA 94111

PLEASE NOTE THE TIME OF THE MEETING

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com. The agenda packet is also available at the Pier 1 Reception Desk. If any materials related to an item on this agenda have been distributed to the Port Commission after distribution of the agenda packet, those materials are available for public inspection at the Port Commission Secretary's office located at Pier 1 during normal office hours.

1. **CALL TO ORDER / ROLL CALL**

2. **APPROVAL OF MINUTES** - June 14, 2011

3. **PUBLIC COMMENT ON EXECUTIVE SESSION**

4. **EXECUTIVE SESSION**

 A. Vote on whether to hold closed session.

 An Executive Session has been calendared to discuss the following matters:

 (1) Discussion of Executive Director's Performance Evaluation for Fiscal Year 2010-11 pursuant to Section 67.10(b) of the Administrative Code and Section 54957(b) of the California Government Code.

 (2) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California

Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.***

a. Property: Piers 19, 23, 26, 27, 28, 29, 29½, 30-32, 80, Piers 14-22½, 32-36 and 54 water areas and Seawall Lot 330

 Person Negotiating: Port: Jonathan Stern, Assistant Deputy Director, Planning and Development, and Brad Benson, Special Projects Manager
 *Negotiating Parties: America's Cup Event Authority, LLC: Stephen Barclay, Craig Thompson and Patrick Jost

 Under Negotiations: ___Price ___Terms of Payment X Both
 An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 19, 23, 26, 27, 28, 29, 29½, 30-32, 80, Piers 14-22½, 32-36 and 54 water areas and Seawall Lot 330.

b. Property: AB 4052; 4111, Lots 3 and 4; 4110, Lot 1; 4046, Lots 1 and 2; also known as Pier 70 Master Plan Area, located near the intersection of 20th Street and Illinois
 Person Negotiating: Byron Rhett, Deputy Director, Planning and Development
 *Negotiating Parties: Artspace Projects, Inc., BUILD Inc, Development Advisory Services, Equity Community Builders, Forest City Development California, Inc. Kidson Land Company LLC, Orbit Development, Pacific Waterfront Partner LLC, Placeworks LLC,

 Under Negotiations: _____Price _____Terms of Payment X Both
 The Port recently received responses to a request for interest for the lease, rehabilitation, and development of a number of Very Significant historic buildings within the 69-acre Pier 70 site, located near the intersection of 20th Street and Illinois. In this executive session, the Port intends to seek direction from the Port Commission on the appropriate price and terms of payment for the properties. The Port intends to discuss factors affecting the price and terms of payment such as adjacent land uses, extraordinary conditions of the site and buildings, and the Port's goals and objectives under the Pier 70 Master Plan, but only with respect to the impact of those factors on price and terms of payment. The executive session discussions will enhance the capacity of the Port Commission during its public deliberations and actions to set the price and payment terms in its solicitation that are most likely to maximize the benefit of the Port, the City and the People of the State of California and/or to more effectively negotiate with the winning proposer(s) on price and payment terms.

5. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

6. ANNOUNCEMENTS

A. **Announcement of Prohibition of Sound Producing Devices during the Meeting**

Please be advised that the ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

B. **Announcement of Time Allotment For Public Comments**

Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

7. EXECUTIVE

A. Executive Director's Report
- San Francisco Architectural Heritage 2011 Lecture Series – 6 p.m. on July 21, 2011 and September 15, 2011 at Pier 1

8. CONSENT

A. Request approval of the proposed Fiscal Year 2011-12 Monthly Rental Rate Schedule, Monthly Parking Stall Rates, and Special Event and Filming Rates. (Resolution No. 11-46)

B. Request authorization to accept and expend $70,000 in grant funds from the Association of Bay Area Governments Bay Trail Program for the Cargo Way Bicycle Lane Improvement Project, along Cargo Way between Third and Jennings Streets. (Resolution No. 11-47)

C. Request authorization to award Construction Contract No. 2745, Hyde Street Harbor Joint Operations and Security Building Project, to Roebuck Construction Inc., in a not-to-exceed amount of $1,754,450, and also

authorize staff to increase the contract amount by 10% (or $175,445) through contract modification or change order for a total of $1,929,895, in the event of unanticipated contingencies. (Resolution No. 11-48)

9. PLANNING & DEVELOPMENT

A. Request authorization to enter into an Exclusive Negotiation Agreement with Forest City Development California, Inc. for the lease and development of the 25 acre Waterfront Site at Pier 70. (Resolution No. 11-49)

B. Request approval to enter into a Second Amended Memorandum of Understanding (MOU) with the San Francisco Department of Public Works (DPW) to extend the scope of work from Design Development through Construction Drawings for the Pier 27 James R. Herman Cruise Terminal and Northeast Wharf Plaza Project (Project); and

Request approval to increase the MOU funding authorization for DPW in the amount not to exceed $2,111,517, which consists of a base amount of $1,919,561, and a 10% contingency of $191,956; and

Request approval to amend the Architectural and Engineering contract with the joint venture of Kaplan, McLaughlin, Diaz Architects and Pfau Long Architecture in the amount not to exceed $3,039,449 which consists of a base contract amount of $2,763,135, and a 10% contingency of $276,314; and

Request approval to extend the term of the MOU with DPW to March 30, 2012. (Resolution No. 11-50)

C. Informational presentation on the Blue Greenway Planning and Design Guidelines, a project to improve and expand the public open space network along the City's central and southern waterfront, from China Basin Channel to the San Francisco County Line.

10. FINANCE & ADMINISTRATION

A. Informational presentation on the San Francisco Local Hiring Policy for Construction.

B. Accept the staff report on changes to the Port's Biennial Operating and Capital Budgets for Fiscal Years 2011-12 and 2012-13.

11. NEW BUSINESS

12. PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

13. ADJOURNMENT

FORWARD CALENDAR (Targeted Commission Meeting, Subject to Change)

- Informational presentation on the Pier 70 State Lands Commission Trust Swap (August 9, 2011)
- Request authorization to advertise for competitive bids for Construction Contract No. 2755, Port Security Fences, Phase 3 Project (August 9, 2011)
- Request approval of CEQA Findings and approval of Brannan Street Wharf public open space project, located between Pier 32 and 38 along The Embarcadero between Beale and Delancey Streets (August 9, 2011)
- Request authorization to award Construction Contract No. 2752, Pier 35 North Apron Improvements Project (August 9, 2011)
- Request authorization to award Construction Contract No. 2744, Roundhouse 2 HVAC Central Plant Upgrade (August 9, 2011)
- Request approval of Lease No. L-15004 with Bauer Intelligent Transportation Inc. for approximately 2,500 square feet of office space in Pier 50, Shed A, approximately 40,000 square feet of shed space, approximately 46,700 square feet of exclusive exterior paved fenced area and approximately 3,600 square feet of exterior covered dock space in Pier 50, Shed C (August 9, 2011)
- Request authorization to award, subject to the Board of Supervisors approval, a five-year lease for surface parking and special events between the Port of San Francisco and China Basin Ballpark Company, LLC, Lease No. L-14980 for Seawall Lot 337, Pier 48 and portions of Terry Francois Boulevard bounded by China Basin Channel, Third Street, Mission Rock Street, and San Francisco Bay (August 9, 2011)
- Accept the Port's Quarterly Contracting Activity Report for Fiscal Year 2010/2011 3rd Quarter (September 13, 2011)
- Request approval to enter into an Exclusive Right to Negotiate Agreement (ENA) with Kinder Morgan Operating LP, owned by Kinder Morgan Energy Partners LP, to negotiate terms for entering into a lease of Port property to design, finance, build and operate a bulk cargo marine terminal at Pier 96 (September 13, 2011)
- Request approval of the Port's Maritime Industry Preservation Policy (September 13, 2011)
- Request authorization to advertise for competitive bids for the Brannan Street Wharf Project, Contract No. 2726 (September 13, 2011)
- Request authorization to advertise a Request For Qualifications for As-Needed Consultant Pool for Real Estate Economics & Related Services (September 13, 2011)
- Request authorization to award professional services contract for media relations services in preparation for the Port of San Francisco's 150th Anniversary in 2013 and in anticipation of the 34th America's Cup being held on San Francisco's waterfront in 2013 (September 13, 2011)
- Request authorization to award Engineering Consulting Services contract for the development of a Building Occupancy Resumption Program for several Port facilities funded through Security Grants (September 13, 2011)
- Request authorization to award Construction Contract No. 2749, Heron's Head Park Improvement Project (September 13, 2011)
- Request authorization to award Construction Contract No. 2723, Pier 70 Building 113 Stabilization (September 13, 2011)

- Request authorization to accept and expend $1,121,795 in 2009 Infrastructure Protection Program Port Security Grant Program funds from the Department of Homeland Security for security improvements at the Port of San Francisco (September 13, 2011)
- Request authorization to advertise the James R. Herman Cruise Terminal Construction Contract Bid Package A - Site, Steel, Enclosure, Elevators (September 13, 2011)
- Request authorization to advertise for competitive bids for the Amador Street Force Main Replacement Project, Contract No. 2748 (September 27, 2011)
- Request approval of Lease L-14495 with Hornblower Yachts, Inc., a California Corporation, for a Term of Five Years with One Five-Year Renewal Option, for premises located at Pier 9 consisting of approximately 1,198 square feet of unimproved pier shed, 7,243 square feet of apron space and 24,470 square feet of submerged land (September 27, 2011)
- Informational presentation on SWL 337 Associates, LLC's submittal of the Revised Proposal for the development of SWL 337 and Pier 48 pursuant to the Exclusive Negotiation Agreement and consistent with the Request for Proposals and the Financial and Negotiating Principles previously identified (October 25, 2011)
- Request authorization to advertise for competitive bids for the Pier 33 Bulkhead Building Improvements, Contract No. 2743 (October 25, 2011)
- Informational presentation on the CEQA findings and determination for the 34th America's Cup (November 8, 2011)
- Request authorization to award the James R. Herman Cruise Terminal Construction Contract Bid Package A - Site, Steel, Enclosure, Elevators and request authorization to advertise Contract Bid Package B – MEP & Finishes (November 8, 2011)
- Request authorization to advertise for competitive bids for the Marine Structural Project IV, Contract No. 2754 (November 8, 2011)
- Request authorization to award Construction Contract No. 2755, Port Security Fences, Phase 3 Project (November 8, 2011)
- Request authorization to award Construction Contract No. 2726, Brannan Street Wharf Project (December 13, 2011)
- Request authorization to advertise for competitive bids for the Tulare Park Improvements Project, Contract No. 2753 (December 13, 2011)
- Request authorization to award Construction Contract No. 2748, Amador Street Force Main Replacement Project (December 13, 2011)
- Request authorization to advertise for competitive bids for the Pier 50 Maintenance Storage Shed, Contract No. 2750 (December 13, 2011)
- Request authorization to award the James R. Herman Cruise Terminal Construction Contract Bid Package B – MEP & Finishes (January 10, 2012)
- Request authorization to award Construction Contract No. 2743, Pier 33 Bulkhead Building Improvements (January 10, 2012)
- Request authorization to award Construction Contract No. 2750, Pier 50 Maintenance Storage Shed (March 2012)
- Request approval of a ten-year lease (L-14956) with Paul Johnson, an individual, dba Monterey Fish, of approximately 10,210 square feet of shed space for fish processing and wholesale at Pier 33 (Date to be determined)

COMMUNICATIONS TO THE PORT COMMISSION FROM JUNE 19, 2011 TO JULY 7, 2011

- From Monique Moyer, copy of a letter to Fire Chief Joanne Hayes-White, in memoriam for Lt. Vincent Perez and Firefighter/Paramedic Anthony Valerio
- From Monique Moyer, copy of a letter to Thomas P. O'Connor, President of the SF Firefighters Local 798, in memoriam for Lt. Vincent Perez and Firefighter/Paramedic Anthony Valerio

AUGUST/SEPTEMBER 2011
CALENDAR OF UPCOMING PORT MEETINGS – OPEN TO THE PUBLIC

DATE	TIME	GROUP	LOCATION
August 9	2:00 p.m.	Closed Session/Port Commission	Port Commission Room
	3:15 p.m.	Open Session	@ Ferry Building
September 13	2:00 p.m.	Closed Session/Port Commission	Port Commission Room
	3:15 p.m.	Open Session	@ Ferry Building
September 27	2:00 p.m.	Closed Session/Port Commission	Port Commission Room
	3:15 p.m.	Open Session	@ Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the second and fourth Tuesday of the month at 3:15 p.m., unless otherwise noticed. The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com. Contact Amy Quesada at 274-0406. The Port Commission meetings can be viewed online at http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=92. The Port Commission meetings are also broadcasted on the 2nd & 4th Thursday of the month at 9 p.m. on Comcast Cable Channel 26 or Astound Cable Channel 78 (formerly RCN Cable).

The Fisherman's Wharf Waterfront Advisory Group (FWWAG) meets regularly on a bi-monthly basis, on the third Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Michael Nerney @ 274-0416 or michael.nerney@sfport.com

Starting January 21, 2010, the Maritime Commerce Advisory Committee (MCAC) will meet every other month, on the third Thursday of the month, from 11:30 a.m. to 1:00 p.m. @ Pier 1. Contact Jim Maloney @ 274-0519 or jim.maloney@sfport.com

The Mission Bay Citizens Advisory Committee meets on the 2nd Thursday of the month at 5:00 p.m. at 1700 Owens Street, 2nd Floor. Parking validation is available. Contact Catherine Reilly, San Francisco Redevelopment Agency, at catherine.reilly@sfgov.org.

The Northeast Waterfront Advisory Group (NEWAG) meets regularly on a bi-monthly basis on the first Wednesday of the month from 5:00 p.m. to 7:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Jonathan Stern @ 274-0545 or jonathan.stern@sfport.com

The Central Waterfront Advisory Group (CWAG) meets monthly on an as-needed basis, generally on the third Wednesday of the month from 5 to 7 p.m. in the Bayside Conference Room at Pier 1. Contact Mark Paez @ 705-8674 or mark.paez@sfport.com

The Rincon Point-South Beach Citizens Advisory Committee meets on a quarterly basis (the FOURTH MONDAY OF JANUARY AND THIRD MONDAYS IN APRIL, JULY, and OCTOBER), starting at 5:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Catherine Reilly, Assistant Project Manager, Redevelopment Agency, @ 749-2516 or Catherine.Reilly/REDEV/SFGOV@SFGOV

The Southern Waterfront Advisory Committee (SWAC) meets every last Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david.beaupre@sfport.com

The Waterfront Design Advisory Committee (WDAC) meets jointly with the Design Review Board of the Bay Conservation and Development Commission on the first Monday of the month at BCDC, 50 California Street, Rm. 2600, at 6:30 p.m. The Committee meets as needed on the fourth Monday of the month at 6:30 p.m. in the Bayside Conf. Rm. @ Pier 1. Contact Dan Hodapp @ 274-0625 or dan.hodapp@sfport.com

FERRY BUILDING:

The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots:

A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.

B) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington, Folsom & Drumm Streets.

PIER 1:

The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Wendy Proctor, Port's ADA Coordinator, at 274-0592, the Port's TTY number is (415) 274-0587.

A07122011

Know Your Rights Under the Sunshine Ordinance:

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Sections 67.1 et seq. of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Chris Rustom by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at (415) 554-7724; by fax at (415) 554-7854 or by email at sotf@sfgov.org. Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Mr. Rustom or by printing Sections 67.1 et seq. of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.

NOTICES

Prohibition of Ringing of Sound Producing Devices:

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

Lobbyist Registration and Reporting Requirements:

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

July 7, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Monique Moyer
Executive Director

SUBJECT: Request approval of the Fiscal Year 2011-12 Monthly Rental Rate Schedule, Monthly Parking Stall Rates, and Special Event and Filming Rates

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

This item was presented as an informational item at the June 14, 2011 Port Commission meeting and is now before the Port Commission for approval. No changes have been made to the Staff's recommendations since the June 14, 2011 presentation.

MONTHLY RENTAL RATE SCHEDULE

On September 8, 1993, the Port Commission (Resolution No. 93-127, as amended by Resolution 93-135) delegated authority to the Executive Director to approve and execute leases, licenses, and Memorandums of Understanding on behalf of the Port, provided that the terms of these agreements met certain parameters as found in the Port's Leasing Policy. Contained within the 1993 delegated authority is a schedule of minimum rental rates for leases which can be executed by the Executive Director without Port Commission approval. Such delegated authority can only be executed under the following criteria:

1. The agreement is for an office building or bulkhead office space, open or enclosed pier shed space, paved or unpaved open space, or open pier or apron space but is not for a retail use;

2. Except for temporary uses (with terms not exceeding six (6) months), the use under the agreement represents a like-kind use to the existing or the immediate prior use of the facility;

THIS PRINT COVERS CALENDAR ITEM NO. 8A

3. Unless required by the Lease, staff is authorized to consent to assignments and subleases on a form approved by the City Attorney and provided the terms and conditions of the sublease or assignment complies with the terms and conditions of the lease;

4. The tenant executes the Port's standard form agreement with no alterations except for minor changes approved by the City Attorney or changes in insurance requirements approved by the City Risk Manager;

5. The term of the agreement does not exceed five (5) years, except those leases in the Fisherman's Wharf Seafood Center at Pier 45 Sheds B and D may have a maximum lease term of ten (10) years, (Port Resolution No. 94-122; Amended February 28, 2006, by Resolution No. 06-15);

6. Port staff has the authority to issue tenant improvement allowances for floor and wall coverings if those credits do not result in the net rent over the term of the lease to be below the Minimum Net Effective Rental Rates found in the Rental Rate Schedule. Allowances for paint (Amended June 8, 2010 by Resolution 37-10) up to a maximum of $3.50 per square foot, and for floor covering, up to a maximum of $3.50 per square foot, are allowable when: 1) new paint and/or floor covering is necessary in order to lease space in full service office buildings; and 2) Port staff is unable to perform such work prior to the proposed lease commencement date. These allowances are considered "landlord's work." Therefore, such work is not included in calculating the minimum Initial Lease Rental Rates;

7. One month early entry for each year of lease term, up to three months, for the purpose of space preparation (Amended July 14, 2009 by Resolution No. 09-34);

8. Port staff is authorized to offer a 5% discount for land transactions with a minimum premise of 43,560 square feet and a minimum term of 36 months (Amended June 8, 2010 by Resolution 37-10); and

9. Port staff provides a monthly report to the Commission indicating Leases, Licenses, Memorandums of Understanding, consents to subleases, and assignments executed pursuant to this policy.

The Port's Leasing Policy provides for an annual update of the Rental Rate Schedule. The Schedule sets ranges of minimum lease/license rental rates per square foot and ranges of minimum net effective rental rates per square foot (if any rent credits are to be provided) by type of use and facility for office, shed and industrial space. The Port Commission last updated the Rental Rate Schedule on June 8, 2010 by Resolution No. 10-37, attached hereto as Exhibit A.

MARKET SUMMARY

The San Francisco office market continued to improve at a steady pace through the first quarter of 2011. The overall San Francisco office market experienced 535,000 square

feet of positive net absorption in the first quarter of 2011. Asking rents strengthened and are on track to grow at a modest pace through 2011. Parallel to the improving Real Estate market San Francisco's unemployment rate dropped from 10.4 percent in early 2010 to 9.1 percent in the first quarter of 2011. A vacancy rate in the range of 5-7 percent is considered above average for the industry during stronger economic cycles.

The demand for space along the waterfront has shown modest improvement. The Port's current office vacancy rate is about 17% which is higher than the citywide office vacancy rate of approximately 14.5% largely due to higher than usual vacancies at Pier 9 due to the consolidation of DNA Direct into one office space and the recent termination of the California State Bar Pilot Commission.

Port staff has reviewed available commercial data including market comparables of similarly situated properties to that of Port properties, the results of which are included in a table on page 4 of this report: *San Francisco Office Submarket Report 1Q 2011.* Port staff also reviewed Port leasing activity for the prior 12 months included as Exhibit B. This data demonstrates that the Port's current Rental Rate Schedule is generally in line with current market conditions. However, there are some rates, as indicated below, that Port staff recommends changing to better reflect the current market conditions. The Port has contracted with CB Richard Ellis Consulting, a third party consultant, to review the proposed Fiscal Year 2011-12 Monthly Rental Rate Schedule. The report is attached to the staff report.

Port staff continues to have the authority to negotiate higher rates than those found in the Rental Rate Schedule and, conversely, staff has the flexibility to quote rates in the mid-range or lower range of the Rental Rate Schedule when justified, for properties that may be physically sub-standard or oddly configured. In the majority of transactions, Port staff successfully negotiates rates above the Minimum Monthly Rent Parameters.

Office buildings are classified according to a combination of location and physical characteristics. *Class B* and *Class C* buildings are always defined in reference to the qualities of *Class A* buildings. There is no formula for classification but rather buildings are evaluated subjectively.

Class A office space can be characterized as buildings that have excellent location and access, attract high quality tenants, and are managed professionally. Building materials are of high quality and rents are competitive with other new buildings. *Class A* office buildings are usually located in central financial districts with higher-end amenities and lobbies. *Class A* office buildings are usually steel-framed and tall. Current rental rates for *Class A* office space in San Francisco's Financial District average $2.92 per square foot per month or $35 annualized. In the submarket of Jackson Square/North Waterfront, rates are $2.62 per square foot per month or $31.50 annualized. The Port does not directly manage any *Class A* office buildings. *(Source: CB Richard Ellis San Francisco Office 1Q 2011)*

Class B buildings have good (versus excellent) locations, management, construction and tenant standards are high. Buildings should have very little functional obsolescence and deterioration. In practical terms, *Class B* buildings are usually newer, wood-framed

buildings or older and/or former *Class A* buildings. *Class B* office buildings are usually three stories or less. The average San Francisco *Class B* office rents as of 1Q 2011 range from $2.96 to $1.85 per square foot per month or $35.50 to $22.25 per square foot annualized. *(Source: CB Richard Ellis San Francisco Office 1Q 2011)*

Comparatively, the average Port of San Francisco *Class B* office space for the 1Q 2011 ranges from $2.75 to $2.25 per month or $33 to $27 per square foot annualized. *(Source: Port of San Francisco Lease Activity Exhibit B)*

Class C buildings are typically 15 to 25 years old but are maintaining steady occupancy. A fair number of the *Class C* office spaces in the Port's inventory are not truly office buildings but rather walk-up office spaces above retail or service businesses. The average San Francisco *Class C* office space for the same period shows rental rates averaging $1.99 per square foot per month or $23.98 per square foot annualized.

In the 1Q of 2011 the average Port of San Francisco *Class C* office space for the same period ranges from $2.00 to $2.40 per square foot per month or $24 to $28.80 per square foot annualized. These rates appear to be in-line with or better than the City average.

The majority of Port-managed office spaces primarily fall into the *Class C* category of office space with the exceptions of the Roundhouse Plaza, Pier 9, Pier 26 Annex, Pier 33½, and Pier 35 which are considered *Class B*. Note that the Port's portfolio contains *Class A* space that is managed by Master Tenants and not subject to the Port's Rental Rate Schedule.

San Francisco Office Submarket Overview 1Q 2011

Submarket	Net Rentable Area	Total Vacancy Rate	Class A	Class B	Class C
Financial District	*27,035,605*	*13.7%*	*$2.92*	*$2.35*	*$1.98*
S. Financial District	*21,234,900*	*10%*	*$2.92*	*$2.46*	*$1.92*
N. Waterfront & Jackson Square	*4,961,028*	*12.8%*	*$2.62*	*$2.33*	*$2.21*
Rincon/South Beach	*2,721,511*	*7.8%*	*$3.17*	*$2.59*	*$2.12*
Yerba Buena	*3,316,424*	*32%*	*$2.79*	*$2.42*	*$2.17*
South Market	*2,729,010*	*33.5%*	*$2.39*	*$2.19*	*$1.64*
Multimedia Gulch	*3,406,757*	*10%*	*$3.17*	*$2.96*	*$2.21*
Mission Bay/China Basin	*2,471,508*	*21.4%*	*$3.50*	*N/A*	*N/A*
Potrero Hill	*2,1,34,621*	*14.4%*	*$2.67*	*$2.42*	*$2.21*
Civic Center & Van Ness Corridor	*3,065,700*	*30.7%*	*$2.27*	*$1.85*	*$1.60*
Union Square	*3,745,849*	*10.7%*	*$2.83*	*$2.42*	*$2.08*

(Research Sources: CB Richard Ellis San Francisco Office 1Q 2011)

INDUSTRIAL AND WAREHOUSE

The Bay Area has approximately 159 million feet of warehouse rental space, which is divided into four primary regions: The East Bay I-80/880 Corridor has the majority of the

warehouse rental space, then Santa Clara County and San Mateo County followed by San Francisco which represents approximately 12% of the total Bay Area warehouse rental space.

The San Francisco industrial market consists of three major submarkets: Mission/South of Market (SOMA), 3rd Street Corridor/Potrero Hill and Bayview/India Basin. The combined total building inventory for industrial use in these zones is approximately 19.3 million square feet, more than three quarters of which is located in the Mission/SOMA and 3rd Street Corridor/Potrero Hill areas according to *BT Commercial San Francisco Industrial Report/First Quarter 2011.*

The Port's industrial properties have various levels of improvements including partitions, fencing, electrical service, plumbing, etc. These industrial/warehouse spaces are typically leased under "net" leases with space defined as "gross leasable area." Demand for Port warehouse and industrial space has strengthened through 1Q 2011.

The majority of Port warehouses are categorized as *Class C.* These spaces lack loading docks, attached office space, non-permeable concrete floors, and share a common drive aisle. Despite the limited infrastructure, the Port has been able to negotiate rental rates comparable to those of private landlords. The previous twelve-month average rates have been $0.85 to $0.60 per square foot or $10.20 to $7.20 per square foot annualized. This appears to be in line with current rental market conditions.

The San Francisco industrial and warehouse market-wide vacancy rate stood at 5.4% at the end of the 1Q 2011. Average asking rents vary by submarket from $0.80 to $1.04 per square foot per month, gross. The current Port rents for warehouse space range from $0.45 to $0.91 per square foot or $5.40 to $10.92 annualized. This slight rate differential is largely due to the limited infrastructure of Port warehouse properties. During the prior reporting period, 1Q 2010, the Port's industrial and warehouse vacancy was 11%. The Port current warehouse vacancy rate is 6.6%.

In anticipation of the America's Cup races and pending CEQA review for that event, demand for waterfront property may increase and vacancies may drop significantly. Rates will not reflect demand until the CEQA process is complete.

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PORT OF SAN FRANCISCO

Bay Area Warehouse Report
First Quarter 2011

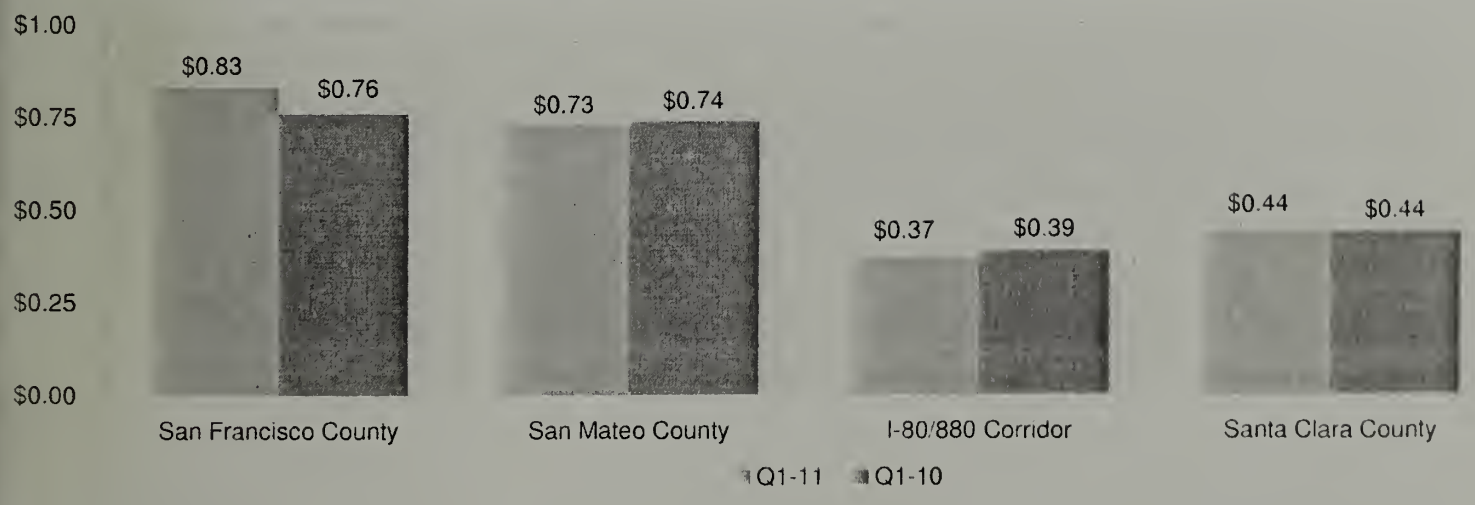
Market Summary

Submarket	Building Base	Available Space Direct	Available Space Sublease	Available Space Total	Vacancy Rate Q1-11	Vacancy Rate Q1-10	Avg. Asking Rate (NNN)
San Francisco County	20,213,531	1,040,420	41,460	1,081,880	5.4%	4.9%	$0.83
San Mateo County	33,148,417	3,166,534	247,100	3,413,634	10.3%	11.4%	$0.73
I-80/880 Corridor	75,267,696	6,441,819	1,289,997	7,731,816	10.3%	10.7%	$0.37
Santa Clara County	31,983,451	2,859,890	153,292	3,013,182	9.4%	9.4%	$0.44
Grand Total	160,613,095	13,508,663	1,731,849	15,240,512	9.5%	9.8%	$0.49

	INVENTORY	SUBLET VACANT	DIRECT VACANT	VACANCY RATE	CURRENT NET ABSORPTION	YTD NET ABSORPTION	UNDER CONSTRUC-TION	AVERAGE ASKING RENT
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL	20,213,531	41,460	1,040,420	5.4%	(57,574)	(57,574)	0	$0.83

[illegible] properties surveyed in Q1 2011

Average Asking Rate NNN by Area



Proposed 2011-12 Month Rental Rate Schedule

The Fiscal Year 2011-12 Monthly Rental Rate Schedule presented for Port Commission review and approval provides two sets of rental rate ranges. The first, entitled *Minimum Initial Lease Rental Rates*, represents the market rent range for the first year of the lease. The second, entitled *Minimum Net Effective Rental Rates*, represents the net effective rent calculated and applied over the lease term after rent credits for flooring and wall coverings are amortized over the term of the lease. The proposed Monthly Rental Rate Schedule for Fiscal Year 2011-12 is attached hereto as Exhibit C.

PROPOSED CHANGES TO 2011-12 MONTHLY RENTAL RATE SCHEDULE

Port staff proposes changes to the Fiscal Year 2011-12 Monthly Rental Rate Schedule for office and industrial shed space consistent with the market rate review and determination.

The following changes are proposed:

1. The following office properties are currently in low demand and are experiencing moderate vacancy rates. Staff recommends revising minimum monthly rents for these locations in recognition of minimal demand, moderate vacancy at these locations.

Office Class B

Item #	Facility	From Minimum Rate per sq. ft. / month	New Minimum Rate per sq. ft. / month
a)	Pier 9 Offices	$2.50	$2.25

Office Class C

Item #	Facility	From Minimum Rate per sq. ft. / month	New Minimum Rate per sq. ft. / month
a)	Agriculture Building Window Office	$2.40	$2.30
b)	696 Amador	$1.25	$1.00
C)	671 Illinois	N/A	$1.00*

*new category

2. The following Industrial/warehouse shed and land properties generate moderate demand, Real Estate staff recommends revising minimum monthly rents for these locations:

Pier Shed and Land

Item #	Facility	From Minimum Rate per sq. ft. / month	New Minimum Rate per sq. ft. / month
a)	Pier 19	$0.60	$0.80
b)	Pier 23	$0.70	$0.80
c)	Piers 27 & 29	$0.70	$0.80
d)	Submerged Land	N/A	$0.11*

*new category
Pier 19 Increased rate reflects new roof

3. The rental rates at Pier 45 Fish Processing Center were last adjusted in 2008. Port staff recommends adjustments in three rate categories to better reflect current market conditions in the fishing industry.

Fishing Industry Pier Shed and Land

Item #	Facility	From Minimum Rate per sq. ft. / month	New Minimum Rate per sq. ft. / month
a)	Piers 45 Improved Shed	$0.75	$0.80
b)	Pier 33 Fish Processing	$0.80	$0.85
c)	699 Illinois	$0.75	$0.80

(Research sources: Port of San Francisco, Santa Cruz Harbor, Pilar Point Harbor, Spud Point Harbor, Morro Bay Harbor, Crescent City Harbor)

PARKING

The Port operates a number of parking facilities where the Port leases individual parking stalls on a monthly basis (357 stalls). The majority of the stall holders are Port tenants. A map is attached as Exhibit D that shows the location of those facilities at which the Port currently offers monthly parking.

On June 8, 2010, by Resolution No. 10-37, the Port Commission approved a new Monthly Parking Stall Rate Schedule. This Monthly Parking Stall Rate Schedule was approved by the Port Commission with the understanding that Port staff would present to the Port Commission, for its review and approval, a revised rate schedule for monthly parking each fiscal year. Accordingly, staff herein presents this Monthly Parking Stall Rate Schedule for fiscal year 2011-12 for the Port Commission's review as included below.

Since the last parking stall rate review, the parking market has experienced slight improvement. Port staff recently conducted a survey of comparable parking facilities in the vicinity of Port property where the Port rents monthly parking stalls, attached hereto as Exhibit D. The survey determined that the monthly parking stall rates for Port facilities are in line with current market rates. The Port is currently experiencing an 18% parking stall vacancy as of May 1, 2011. The prior fiscal year vacancy was 15%. Due to the increase in Port parking stall vacancies, staff proposes only one change to the *Monthly Parking Stall Rate Schedule.* Port staff also proposes reducing the parking rate for Pier 80 building tenants to bring it inline with market conditions for a *Class C Building* located in the southern waterfront.

Please note that the parking rate in this report do not include any City parking tax currently 25%, which is paid by the stall holder and remitted by the City Tax Collector.

Proposed Changes to FY 2010-11 Monthly Parking Rate Schedule

Site	Type	Current Rate		Proposed Rate		Increase (Tax Included)
		Rent	Rent & Tax	Rent	Rent & Tax	
Agriculture Bldg	Building Tenant Parking	$316	$395	$316	$395	$0
Pier 9	Shed Parking	$272	$340	$272	$340	$0
	Uncovered Parking	$252	$315	$252	$315	$0
Wharf J3	Commercial Tenant Parking	$252	$315	$252	$315	$0
	Restaurant Tenant Parking	$164	$205	$164	$205	$0
	Fishing Industry Tenant Parking	$60	$75	$60	$75	$0
Pier 45, Shed C	Commercial Tenant Parking	$272	$340	$272	$340	$0
	Restaurant Tenant Parking	$164	$205	$164	$205	$0
	Fishing Industry Tenant Parking	$60	$75	$60	$75	$0
Seawall Lot 302	Commercial Tenant Parking	$268	$335	$268	$335	$0
	Restaurant Tenant Parking	$164	$205	$164	$205	$0
	Sport Fishing Tenant Parking	$96	$120	$96	$120	$0
Seawall Lot 303	Commercial Tenant Parking	$256	$320	$256	$320	$0
	Restaurant Tenant Parking	$164	$205	$164	$205	$0
Seawall Lot 349	Uncovered Parking	$124	$155	$124	$155	$0
Pier 26	Shed Parking	$272	$340	$272	$340	$0
Pier 80	Admin Bldg Uncovered Parking	$176	$220	$32	$40	($180)
	Uncovered Truck Parking	$124	$155	$124	$155	($0)
Pier 84	Uncovered Parking	$124	$155	$124	$155	$0
Pier 90	Uncovered Parking	$126.4	$158	$126.4	$158	$0
Pier 96	Uncovered Parking	$124	$155	$124	$155	$0

Proposed Changes to the FY 2010-11 Pier 52 Parking Meter Rate Schedule

Site	Type	Current Rate	Proposed Rate	Increase
Pier 52 Boat Launch	Uncovered Parking	$1 /hr/vehicle	$1.50 /hr/vehicle	$0.50
Pier 52 Boat Launch	Uncovered Parking	$5 /4hrs w/ boat trailer	$5 /4hrs w/ boat trailer	$0

The Port makes available parking stalls at cost for its employees' vehicles. The parking lot operator at SWL 324 (Broadway lot) is required to provide 40 parking spaces at SWL 324 for Port employees at no cost to the Port. The Port has converted 25 underutilized metered spaces on Davis Street for Port employee parking similar to that around the City.

Proposed Port Employees Monthly Parking Rate for FY 2011-12

Facility	For	Current Rate		Proposed Rate		Increase (Tax Included)
		Rent	Rent & Tax	Rent	Rent & Tax	
Seawall Lot 351	Port Commissioner, Executive Director	$128	$160	$128	$160	$0
	Employees who have been granted a reasonable accommodation under the Americans with Disabilities Act	$56*	$70*	$57.6*	$72*	$2
Seawall Lot 324	Employees assigned to Pier 1; parking available for one employee vehicle used for commuting	$56*	$70*	$57.6*	$72*	$2
Pier 50 or at jobsite	Employees assigned to Pier 50 or whose collective bargaining agreement allows for free parking; one automobile space for vehicle used by the employee for commuting (no boats, trailers, three-axle vehicles, etc.)	$0	$0	$0	$0	$0

*The rate is equivalent to the cost of a MUNI monthly pass plus $10. It will be adjusted correspondingly to future MUNI monthly pass increases. Current cost of MUNI monthly pass is $62 effective July 1, 2011.

The annualized Monthly Parking Stall revenue is $390,874 as of May 1, 2011.

SPECIAL EVENTS AND FILMING

The Port's seven and half (7.5) miles of waterfront property is a popular venue for special events and filming projects produced each year in the City. Among the most notable special events are *Fleet Week*, *4th of July Celebration and Fireworks*, *Sunday Streets*, *New Year's Eve*, *Giant's Fanfest* and *the Nike Women's Marathon*.

A number of major motion pictures and television series have been produced on Port property including: *Hemingway and Gellhorn*, *and Mythbusters*.

The Port is also very popular with advertisers that accounts for the majority of still photo shoots that occur at the Port. From elegant fashion and auto ads located at Pier 7 to the more urban industrial projects shot in the Southern Waterfront, the Port offers a variety of locations sought after by creative photographers.

In order to standardize film and photography related fees charged for various Port facilities, Port staff has established a Special Event and Filming Fee Schedule. The schedule is reviewed annually to reflect current market conditions and submitted to the Port Commission for re-approval.

There are several recurring Special Events/Uses that have a strong Maritime or community connection to the Port of San Francisco and have customarily been given either a fee waiver or fee reduction by the Port Commission on an ad hoc basis. In order to streamline the administrative process and costs associated with preparing individual Port Commission Agenda Items for each event, staff recommends that the Port Commission approve the recommended fees for these events.

1. Proposed Fee Waiver: *4th of July Celebration; Fleet Week; City's New Year's Eve Celebration; Madonna Del Lume; Louis Vuitton Trophy ; the San Francisco Fire Department Chili Cook-Off; and the America's Cup 2012 World Series.*

2. Proposed Fee Reductions: *Small Boat Fishing Gear Swap Meet, $300 versus $2,000; and Delancey Street Christmas Tree Lot, $3,528 versus $7,055.*

The methodology for deriving the fees described in the Special Events and Filming Fee Schedule is a combination of market research, continuous dialog with special events promoters and mostly the Port's own experience at negotiating fees. Because of the variety and unique characteristics of Port property, the Port has been able to set fees for special events and filming.

In Fiscal Year 2010-11 special events and filming generated a combined total of $169,990 in revenues to the Port (as of April 2011). Of this amount, special events generated $168,990 and filming $1,000.

PROPOSED FY 2011-12 SPECIAL EVENT AND FILMING RATE SCHEDULE

Port staff recommends changes to the FY 2011-12 Special Event and Filming Rate Schedule, which is listed on Exhibit E. The changes are to the special event rental rates for Pier 48 Shed A & C and are a result of a proposed new lease with the San Francisco Giants for SWL 337 and Pier 48, Shed A & C.

RECOMMENDATION

Port staff recommends the Port Commission approve the Fiscal Year 2011-12 Monthly Rental Rate Schedule, Monthly Parking Stall Rates (monthly parking stall schedule in staff report), and Special Event and Filming Rates, attached hereto as Exhibit C and E. Port staff further recommends that these Rate Schedules be effective as of August 1, 2011.

Upon adoption of these Rate Schedules, Port staff will be authorized to enter into leases, licenses, and Memorandum of Understanding without specific Port Commission approval provided that the transaction conforms to all the approved leasing parameters.

Prepared by: Jeffrey A. Bauer, Senior Leasing Manager

For: Susan Reynolds, Director of Real Estate

PORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 11-46

WHEREAS, By Resolution No. 93-127, adopted September 8, 1993, and as amended by Resolution 93-135, the Port Commission authorized the Executive Director to approve and execute certain transactional documents such as leases and licenses that conform to all of the parameters set forth in Resolutions No. 93-127 and 93-135; and

WHEREAS, The parameters (including the delegated authorities) in the Resolutions have been revised and updated annually, most recently by Resolution No. 10-37 for the fiscal year 2010-11; and

WHEREAS, Said leasing parameters provide that leases, licenses, and Memorandums of Understanding so approved and executed shall have rents that conform to the Monthly Rental Rate Schedule, Parking Stall Rate Schedule, and Special Event and Filming Rate Schedule as adopted and amended periodically by the Port Commission; and

WHEREAS, Port staff has reviewed current office/industrial-warehouse, parking, and special event and filming market data and has prepared and recommended updated delegated authorities and updated Fiscal Year 2011-12 Monthly Rental Rate Schedule, Monthly Parking Stall Rate Schedule (monthly parking stall rate schedule in staff report), and Special Event and Filming Rate Schedule; and

WHEREAS, Port staff recommends approval of the list of delegated authorities specified in the staff report and the Fiscal Year 2011-12 Monthly Rental Rate Schedule, Parking Rate Schedule, and Special Events and Filming Rate Schedule which would set rental rates for office/industrial space, monthly parking stalls, and special event and filming rates as described in the staff report; and

WHEREAS, Port staff recommends approval of proposed fee waiver for certain special events including 4th of July Celebration, Fleet Week, City's New Year's Eve Celebration, Madonna Del Lume, Louis Vuitton Trophy, America's Cup World Series, and the San Francisco Fire Department Chili Cook-Off; and

WHEREAS, Port staff further recommends approval of fee reductions for the Small Boat Fishing Gear Swap Meet, and Delancey Street Christmas Tree Lot as described in the staff report; now, therefore be it

RESOLVED, That the Port Commission hereby approves and adopts the delegated authorities and the Fiscal Year 2011-12 Monthly Rental Rate Schedule, Parking Rate Schedule, Special Event and Filming Rate Schedule, and approval of proposed fee waiver and fee reductions for certain special events as described in this Resolution; and be it further

RESOLVED, That Port staff shall continue to provide the Port Commission, within thirty days following each calendar month, a summary of leases, licenses, and Memorandum of Understanding entered into and subleases or assignments consented to during that month.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 12, 2011.

Secretary

Exhibit A

2010-11 MININUM MONTHLY RENTAL RATE SCHEDULE[+]

TYPE OF USE & TYPE OF LEASE	CLASS & LOCATION OF FACILITY/SPACE	MINIMUM INITIAL LEASE RENTAL RATES Monthly Per Sq. Ft.	MINIMUM NET EFFECTIVE RENTAL RATES Monthly Per Sq. Ft.*
OFFICE SPACE USES:			
FULL SERVICE GROSS LEASES:	CLASS B		
	Roundhouse Plaza	$2.25 - 2.75	$2.00 - 2.50
	CLASS C		
	Agriculture Building		
	Window Office	$2.40 - 2.55	$2.20 - 2.35
	Interior Office	$1.50 - 2.00	$0.98 - 1.48
	401 Terry Francois	$2.00 - 2.40	$1.75 - 2.00
	696 Amador	$1.25 - 1.50	$1.00 - 1.40
NET LEASES:	CLASS B		
	Pier 9 Bulkhead Bldg.	$2.50 - 2.75	$2.30 - 2.60
	Pier 9 Pier Offices	$2.50 - 2.75	$2.30 - 2.60
	Pier 26 Annex Bldg.	$2.50 - 2.90	$2.40 - 2.90
	Pier 33 ½ North	$2.50 - 3.00	$2.25 - 2.75
	Pier 35 Bulkhead Bldg.	$2.50 - 2.75	$2.25 - 2.50
	CLASS C		
	Pier 9 Studio/office	$1.75 - 2.00	$1.50 - 1.75
	Piers 23 Bulkhead Bldgs.	$1.25 - 2.00	$1.00 - 1.75
	Pier 27 Admin. Bldg.	$1.35 - 1.60	$1.35 - 1.44
	Pier 29 Annex Bldg.	$1.35 - 1.60	$1.35 - 1.44
	Pier 33 ½	$1.75 - 2.25	$1.50 - 2.00
	Pier 35 Interior office	$1.75 - 2.00	$1.50 - 1.75
	490 Jefferson St.	$1.25 - 1.50	$1.10 - 1.25
	Piers 26 Bulkhead Bldg.	$1.75 - 2.00	$1.50 - 1.75
	Pier 28 Bulkhead Bldg.	$1.75 - 2.00	$1.25 - 1.75
	Piers 50 Bulkhead Bldg.	$1.75 - 2.00	$1.55 - 1.75
	Pier 54 Office	$1.25 - 1.50	$1.00 - 1.25
	Pier 70, Building 11	$1.10 - 1.25	$1.00 - 1.20
	501 Cesar Chavez	$1.25 - 1.50	$1.10 - 1.25
	601 Cesar Chavez	$1.00 - 1.25	$0.90 - 1.05
	Pier 96 Admin. Bldg.	$1.25 - 1.40	$1.00 - 1.25
	Pier 96 Gate House Bldg.	$1.10 - 1.25	$0.75 - 1.00
OFFICE STORAGE	All Facilities	$1.00 - 1.00	$1.00 - 1.00

Exhibit A

TYPE OF USE & TYPE OF LEASE	CLASS & LOCATION OF FACILITY/SPACE	MINIMUM INITIAL LEASE RENTAL RATES Monthly Per Sq. Ft.	MINIMUM NET EFFECTIVE RENTAL RATES Monthly Per Sq. Ft.*
INDUSTRIAL SHED USES:			
INDUSTRIAL GROSS LEASES:	NORTHEAST WATERFRONT		
	Pier 9	$1.25 - 1.25	$1.25 - 1.25
	Pier 33 – 35	$0.75 - 0.85	$0.70 - 0.80
	Pier 19	$0.60 - 0.75	$0.75 - 0.70
	Pier 23	$0.70 - 0.80	$0.65 - 0.75
	Pier 27 & 29	$0.70 - 0.80	$0.70 - 0.80
	Pier 47 shed storage	$0.75 - 1.00	$0.70 - 0.90
	SWL 302 storage	$0.75 - 1.00	$0.65 - 0.75
	SOUTH BEACH/CHINA BASIN		
	Pier 24 Annex	$1.18 - 1.25	$1.18 - 1.25
	Piers 26-28	$0.75 - 1.00	$0.75 - 1.00
	Piers 48	$0.85 - 1.10	$0.85 - 1.00
	Pier 50	$0.75 - 1.00	$0.65 - 0.75
	Pier 54 Shed	$0.60 - 0.75	$0.60 - 0.75
	SOUTHERN WATERFRONT		
	SWLs 343 & 354	$0.75 - 0.85	$0.80 - 0.75
	SWL 345	$0.75 - 1.00	$0.70 - 0.80
	Facility 6019	$0.55 - 0.55	$0.55 - 0.55
	Pier 80	$0.75 - 0.85	$0.80 - 0.75
	Pier 92 & SWLs 344 & 349	$0.75 - 0.85	$0.80 - 0.75
	Pier 96 M & R	$0.75 - 0.85	$0.80 - 0.75
OPEN LAND AND PIER SPACE USES:			
INDUSTRIAL GROSS LEASES: "PORT STANDARD NET LEASE"	UNPAVED LAND	$0.20 - 0.25	$0.18 - 0.20
	PAVED LAND	$0.22 - 0.25	$0.20 - 0.23
	IMPROVED LAND	$0.25 - 0.30	$0.22 - 0.28

Exhibit A

TYPE OF USE & TYPE OF LEASE	CLASS & LOCATION OF FACILITY/SPACE	MINIMUM INITIAL LEASE RENTAL RATES Monthly Per Sq. Ft.	MINIMUM NET EFFECTIVE RENTAL RATES Monthly Per Sq. Ft.*
FISHING INDUSTRY USES:			
INDUSTRIAL GROSS LEASES:	FISH WHOLESALING & PROCESSING SPACE		
	Improved Fish Processing Space		
	Pier 45 Sheds	$0.75 - 0.85	$0.75 - 0.80
	Second floor warehouse	$0.40 - 0.45	$0.35 - 0.40
	Pier 45 Office 1st fl office	$1.10 - 1.50	$1.05 - 1.25
	Pier 45 2nd fl mezz	$0.85 - 1.25	$0.75 - 1.00
	Sheds		
	Pier 33	$0.80 - 0.85	$0.75 - 0.75
	699 Illinois	$0.75 - 0.80	$0.70 - 0.70
	Aprons	$0.22 - 0.22	$0.22 - 0.22
LICENSES:	FISHING GEAR STORAGE	$0.22 - 0.22	$0.22 - 0.22

[+] The range in rental rates is provided as an example of the minimum rental rates for different space in the building (ie. higher rates for higher floors). It is not, and should not be construed as, a cap or maximum rental rate for such space.

* Minimum Net Effective Rents are rents that reflect the application of rent credits for new paint and carpet. The Minimum Net Effective Rates reflect the amortization of rent credits provided by Port over the term of the lease.

EXHIBIT B

Port of San Francisco
Active Office Rental Transactions Effective July 1, 2010 to May 2, 2011

Company Name	Contract #	Portfolio	Facility	Eff Date	Exp Date	Revenue	Lshld Type	Class	Sq Ft	Rate
Ferry Plaza										
Shaw, Adele	L-14936	FP	3491	1-Jan-11	31-Dec-12	CRNT	Net	C	348	1.10
								Average Monthly Rate		**1.10**
United Video, Inc.	L-14922	FP	2780	1-Jan-11	31-Dec-15	CRNT	Full Service	C	175	1.00
United Video, Inc.	L-14922	FP	2780	1-Jan-11	31-Dec-15	CRNT	Full Service	C	274	2.40
United Video, Inc.	L-14922	FP	2780	1-Jan-11	31-Dec-15	CRNT	Full Service	C	379	1.00
United Video, Inc.	L-14922	FP	2780	1-Jan-11	31-Dec-15	CRNT	Full Service	C	195	1.00
United Video, Inc.	L-14922	FP	2780	1-Jan-11	31-Dec-15	CRNT	Full Service	C	194	1.00
United Video, Inc.	L-14922	FP	2780	1-Jan-11	31-Dec-15	CRNT	Full Service	C	38	1.00
Good Pastures MeatCo, Inc.	L-14929	FP	2780	16-Dec-10	31-Dec-13	CRNT	Full Service	C	310	2.58
Good Pastures MeatCo, Inc.	L-14929	FP	2780	16-Dec-10	31-Dec-13	CRNT	Full Service	C	536	2.40
Hua, Phillip T.	L-14914	FP	3491	1-Nov-10	31-Oct-13	CRNT	Full Service	C	900	1.10
AnsaldoBreda, Inc.	L-14858	FP	2780	1-Sep-10	31-Aug-13	CRNT	Full Service	C	3,665	2.48
Buchdrucker, Elliott D.	L-14891	FP	2780	1-Aug-10	31-Jul-11	CRNT	Full Service	C	1,025	2.40
American Red Cross Bay Area Chapter, Inc	L-14847	FP	1540	1-Jul-10	30-Jun-13	CRNT	Full Service	C	1,227	0.20
American Red Cross Bay Area Chapter, Inc	L-14847	FP	1540	1-Jul-10	30-Jun-13	CRNT	Full Service	C	8,305	0.20
SFCC Police Department	M-14876	FP	2505	1-Jul-10	30-Sep-13	CRNT	Full Service	C	2,174	1.65
								Average Monthly Rate		**1.46**
Northeastern Waterfront										
Architectural Resources Group, Inc.	L-14975	NE	1090	1-May-11	30-Apr-16	CRNT	Net	B	7,396	-
Cabouchon Properties, LLC.	L-14968	NE	1090	1-Apr-11	31-Mar-16	CRNT	Net	B	2,206	2.55
DNA Direct, Inc.	L-14871	NE	1090	1-Sep-10	31-Aug-14	CRNT	Net	B	2,500	2.50
DNA Direct, Inc.	L-14871	NE	1090	1-Sep-10	31-Aug-14	CRNT	Net	B	4,637	2.50
DNA Direct, Inc.	L-14871	NE	1090	1-Sep-10	31-Aug-14	CRNT	Net	B	900	1.25
Runfola, John	L-14898	NE	1090	1-Sep-10	30-Nov-13	CRNT	Net	B	3,325	2.50
								Average Monthly Rate		**1.88**
A.S.F. Electric	L-14908	NE	1230	19-Oct-10	30-Sep-12	CRNT	Net	C	629	1.25
								Average Monthly Rate		**1.25**
SFCC Dept of Emergency Management	M-14937	NE	3180	1-Feb-11	14-Jul-12	CRNT	Full Service	B	2,175	2.75
SFCC Dept. of Emergency Management	M-14937	NE	3180	1-Feb-11	14-Jul-12	CRNT	Full Service	B	-	2.75
Garcia Tamjidi, Inc	L-14902	NE	3180	1-Sep-10	30-Nov-13	CRNT	Full Service	B	2,298	2.25
Cheng, Claudine	14893	NE	3180	16-Aug-10	15-Aug-12	CRNT	Full Service	B	50	1.25

Company Name	Contract #	Portfolio	Facility	Eff Date	Exp Date	Revenue	Lshld Type	Class	Sq Ft	Rate
SFCC Dept. of Emergency Management	M-14868	NE	3180	15-Jul-10	14-Jul-12	CRNT	Full Service	B	2,185	2.99
SFCC Dept. of Emergency Management	M-14868	NE	3180	15-Jul-10	14-Jul-12	CRNT	Full Service	B	-	2.75
									Average Monthly Rate	**2.46**
Jack Scott & Associates Construction, Inc	L-14915	NE	2275	5-Oct-10	31-Dec-11	CRNT	Full Service	C	1,380	1.25
L & P Spirits Imports, LLC	L-14885	NE	1230	1-Sep-10	31-Aug-13	CRNT	Full Service	C	122	1.50
									Average Monthly Rate	**1.38**
Southbeach / China Basin										
IDEO, LLC	L-14796	SB	1265	1-Feb-11	31-Jan-16	CRNT	Net	B	12,360	2.60
IDEO, LLC	L-14796	SB	1265	1-Feb-11	31-Jan-16	CRNT	Net	B	7,074	-
									Average Monthly Rate	**1.30**
Rocket Fuel Inc.	L-14961	SB	1260	1-Feb-11	31-Dec-11	CRNT	Full Service	C	1,216	2.41
Rocket Fuel Inc.	L-14961	SB	1260	1-Feb-11	31-Dec-11	CRNT	Full Service	C	885	2.44
									Average Monthly Rate	**2.43**
Southern Waterfront										
City Building, Inc.	L-14950	SO	1265	1-Feb-11	31-Jan-15	CRNT	Net	B	6,713	2.60
City Building, Inc.	L-14950	SO	1265	1-Feb-11	31-Jan-15	CRNT	Net	B	754	2.60
									Average Monthly Rate	**2.60**
Lawson, Kevin	L-14861	SO	1900	20-Aug-10	19-Aug-13	CRNT	Net	C	350	1.25
									Average Monthly Rate	**1.25**
SFCC Fire Department	M-14960	SO	1960	21-Feb-11	20-Feb-16	CRNT	Full Service	C	732	-
NTK Construction, Inc.	L-14905	SO	2800	15-Nov-10	14-Nov-11	CRNT	Full Service	C	2,744	1.25
NTK Construction, Inc.	L-14905	SO	2800	15-Nov-10	14-Nov-11	CRNT	Full Service	C	1,867	1.25
Rosendin Electric, Inc	L-14892	SO	2800	1-Sep-10	31-Aug-13	CRNT	Full Service	C	439	1.25
For Whom Productions	L-14886	SO	2800	1-Aug-10	31-Oct-11	CRNT	Full Service	C	4,440	0.74
For Whom Productions	L-14886	SO	2800	1-Aug-10	31-Oct-11	CRNT	Full Service	C	2,353	0.75
For Whom Productions	L-14886	SO	2800	1-Aug-10	31-Oct-11	CRNT	Full Service	C	4,885	0.75
For Whom Productions	L-14886	SO	2800	1-Aug-10	31-Oct-11	CRNT	Full Service	C	6,423	0.75
Berglund Group, LLC	L-14880	SO	2800	20-Jul-10	19-Jul-13	CRNT	Full Service	C	389	1.25
									Average Monthly Rate	**0.89**

EXHIBIT B

Port of San Francisco
Active Warehouse Rental Transactions Effective July 1, 2010 to May 2, 2011

Company Name	Contract #	Portfolio	Facility	Eff Date	Exp Date	Revenue	Lshld Type	Class	Sq Ft	Rate
Ferry Plaza										
San Francisco Wine Competition	14976	FP	1500	16-Apr-11	31-Jul-11	CRNT	SHED	C	2,500	0.85
Dawson-Clinton General Contractors, Inc.	L-14829	FP	1500	15-Mar-11	30-Jun-16	CRNT	SHED	C	3,053	0.75
SFCC Police Department	M-14919	FP	1500	15-Jan-11	14-Jan-14	CRNT	SHED	C	830	0.75
California Drywall Company	L-14895	FP	1500	1-Nov-10	31-Oct-15	CRNT	SHED	C	3,184	0.75
California Drywall Company	L-14895	FP	1500	1-Nov-10	31-Oct-15	CRNT	SHED	C	-	0.75
Habitat for Humanity Greater San Francisco	L-14907	FP	1500	1-Oct-10	30-Sep-13	CRNT	SHED	C	1,600	0.80
								Average Monthly Rate		**0.78**
Fisherman's Wharf										
Pier 39 Limited Partnership	L-14839	FW	1330	1-Apr-11	31-Mar-16	CRNT	SHED	C	4,920	0.68
Pier 39 Limited Partnership	L-14840	FW	1351	1-Apr-11	31-Mar-16	CRNT	SHED	C	702	0.80
Pier 39 Limited Partnership	L-14840	FW	1351	1-Apr-11	31-Mar-16	CRNT	SHED	C	649	0.80
Pier 39 Limited Partnership	L-14840	FW	1351	1-Apr-11	31-Mar-16	CRNT	SHED	C	545	0.80
San Francisco Community Fishing Association	L-14952	FW	1450	8-Feb-11	31-Jan-13	FFTY	SHED	C	3,604	0.80
Golden Gate Scenic Steamship Corp.	L-14867	FW	1451	1-Sep-10	31-Aug-15	CRNT	SHED	C	7,920	0.75
San Francisco Maritime National Park Assoc.	L-14778	FW	1451	1-Jul-10	30-Jun-15	PERC	SHED	C	1,000	1.85
San Francisco Maritime National Park Assoc.	L-14778	FW	1451	1-Jul-10	30-Jun-15	PERC	SHED	C	1,582	1.00
San Francisco Maritime National Park Assoc.	L-14778	FW	1451	1-Jul-10	30-Jun-15	PERC	SHED	C	3,200	0.75
								Average Monthly Rate		**0.91**
Northeastern Waterfront										
A.S.F. Electric	L-14908	NE	1230	19-Oct-10	30-Sep-12	CRNT	SHED	C	2,416	0.75
Bock Vines & Wines, Inc.	L-14882	NE	1190	1-Sep-10	31-Aug-13	CRNT	SHED	C	1,365	0.60
Bock Vines & Wines, Inc.	L-14882	NE	1190	1-Sep-10	31-Aug-13	CRNT	SHED	C	5,845	0.60
Z Collection Inc.	L-14889	NE	1230	1-Sep-10	31-Aug-15	CRNT	SHED	C	9,311	0.70
Power Engineering Construction Company	L-14875	NE	1230	12-Jul-10	11-Jul-12	CRNT	SHED	C	14,793	0.70
Seafood Suppliers, Inc	L-14862	NE	1330	1-Jul-10	30-Jun-20	FFTY	SHED	C	6,100	0.75
								Average Monthly Rate		**0.68**

Company Name	Contract #	Portfolio	Facility	Eff Date	Exp Date	Revenue	Lshld Type	Class	Sq Ft	Rate
Southbeach / China Basin										
City Building, Inc.	14951	SB	1260	18-Jan-11	31-Jan-12	CRNT	SHED	C	2,409	0.75
Clyde Austin Enterprises	L-14890	SB	1280	28-Jul-10	27-Jul-13	CRNT	SHED	C	1,100	0.75
								Average Monthly Rate		**0.75**
Southern Waterfront										
City Building, Inc.	L-14950	SO	1265	1-Feb-11	31-Jan-15	CRNT	SHED	C	2,835	-
For Whom Productions	L-14903	SO	1800	13-Dec-10	31-May-11	CRNT	SHED	C	30,000	0.45
								Average Monthly Rate		**0.23**

EXHIBIT B

Port of San Francisco
Active Land Rental Transactions Effective July 1, 2010 to May 2, 2011

Company Name	Contract #	Portfolio	Facility	Eff Date	Exp Date	Revenue	Lshld Type	Sq Ft	Rate
Fisherman's Wharf									
Wildcats Owner LLC	E-13502	FW	4002	8-Feb-11		PERM	LAND	140	0.25
							Average Monthly Rate		**0.25**
Northeastern Waterfront									
Exploratorium	Parking Agreement	NE	3210	1-Jan-13	1-Dec-26	PRNT	LAND	-	-
Exploratorium	14714	NE	1150	3-Nov-10	2-Nov-11	PRNT	LAND	1,190	0.38
Exploratorium	14715	NE	1170	3-Nov-10	2-Nov-11	PRNT	LAND	1,932	0.37
Power Engineering Construction Company	L-14875	NE	1230	12-Jul-10	11-Jul-12	CRNT	LAND	10,000	0.11
							Average Monthly Rate		**0.22**
Southern Waterfront									
For Whom Productions	Parking License	SO	3560	1-Mar-11		PRNT	LAND	43,560	0.12
Sims Group USA Corporation	L-14849	SO	3490	1-Feb-11	31-Jan-16	CRNT	LAND	16,104	0.21
Sims Group USA Corporation	L-14849	SO	3490	1-Feb-11	31-Jan-16	CRNT	LAND	48,738	0.21
For Whom Productions	L-14903	SO	1800	13-Dec-10	31-May-11	CRNT	LAND	8,169	0.15
Trans Bay Cable LLC	14325	SO	4039	22-Nov-10	21-Nov-35	CRNT	LAND	545,952	0.20
Reliance Engineering, Inc	L-14916	SO	1960	15-Oct-10	31-Oct-12	CRNT	LAND	2,400	0.22
Lawson, Kevin	L-14861	SO	1900	20-Aug-10	19-Aug-13	CRNT	LAND	3,200	0.22
Lawson, Kevin	L-14861	SO	1900	20-Aug-10	19-Aug-13	CRNT	LAND	10,000	0.22
							Average Monthly Rate		**0.19**

Exhibit C

2011-12 MININUM MONTHLY RENTAL RATE SCHEDULE†

TYPE OF USE & TYPE OF LEASE	CLASS & LOCATION OF FACILITY/SPACE	MINIMUM INITIAL LEASE RENTAL RATES Monthly Per Sq. Ft.	MINIMUM NET EFFECTIVE RENTAL RATES Monthly Per Sq. Ft.*
OFFICE SPACE USES:			
FULL SERVICE GROSS LEASES:	CLASS B		
	Roundhouse Plaza	$2.25 - 2.75	$2.00 - 2.50
	CLASS C		
	Agriculture Building		
	Window Office	$2.30 - 2.55	$2.20 - 2.35
	Interior Office	$1.50 - 2.00	$0.98 - 1.48
	401 Terry Francois	$2.00 - 2.40	$1.75 - 2.00
NET LEASES:	CLASS B		
	Pier 9 Bulkhead Bldg.	$2.50 - 2.75	$2.30 - 2.60
	Pier 9 Pier Offices	$2.25 - 2.50	$2.30 - 2.60
	Pier 26 Annex Bldg.	$2.50 - 2.90	$2.40 - 2.90
	Pier 33 ½ North	$2.50 - 3.00	$2.25 - 2.75
	Pier 35 Bulkhead Bldg.	$2.50 - 2.75	$2.25 - 2.50
	CLASS C		
	Pier 9 Studio/office	$1.75 - 2.00	$1.50 - 1.75
	Piers 23 Bulkhead Bldgs.	$1.25 - 2.00	$1.00 - 1.75
	Pier 27 Admin. Bldg.	$1.35 - 1.60	$1.35 - 1.44
	Pier 29 Annex Bldg.	$1.35 - 1.60	$1.35 - 1.44
	Pier 33 ½	$1.75 - 2.25	$1.50 - 2.00
	Pier 35 Interior office	$1.75 - 2.00	$1.50 - 1.75
	490 Jefferson St.	$1.25 - 1.50	$1.10 - 1.25
	Piers 26 Bulkhead Bldg.	$1.75 - 2.00	$1.50 - 1.75
	Pier 28 Bulkhead Bldg.	$1.75 - 2.00	$1.25 - 1.75
	Piers 50 Bulkhead Bldg.	$1.75 - 2.00	$1.55 - 1.75
	Pier 54 Office	$1.25 - 1.50	$1.00 - 1.25
	Pier 70, Building 11	$1.10 - 1.25	$1.00 - 1.20
	671 Illinois Street	$1.00 - 1.10	$0.80 - 1.00
	501 Cesar Chavez	$1.25 - 1.50	$1.10 - 1.25
	601 Cesar Chavez	$1.00 - 1.25	$0.90 - 1.05
	696 Amador	$1.25 - 1.50	$1.00 - 1.40
	Pier 96 Admin. Bldg.	$1.25 - 1.40	$1.00 - 1.25
	Pier 96 Gate House Bldg.	$1.10 - 1.25	$0.75 - 1.00
OFFICE STORAGE	All Facilities	$1.00 - 1.00	$1.00 - 1.00

Exhibit C

TYPE OF USE & TYPE OF LEASE	CLASS & LOCATION OF FACILITY/SPACE	MINIMUM INITIAL LEASE RENTAL RATES Monthly Per Sq. Ft.	MINIMUM NET EFFECTIVE RENTAL RATES Monthly Per Sq. Ft.*
INDUSTRIAL SHED USES:			
INDUSTRIAL GROSS LEASES:	NORTHEAST WATERFRONT		
	Pier 9	$1.25 - 1.25	$1.25 - 1.25
	Pier 33 – 35	$0.75 - 0.85	$0.70 - 0.80
	Pier 19	$0.80 - 0.85	$0.75 - 0.80
	Pier 23	$0. 80 - 0.85	$0.75 - 0.80
	Pier 27 & 29	$0.80 - 0.85	$0.75 - 0.80
	Pier 47 shed storage	$0.75 - 1.00	$0.70 - 0.90
	SWL 302 storage	$0.75 - 1.00	$0.65 - 0.75
	SOUTH BEACH/CHINA BASIN		
	Pier 24 Annex	$1.18 - 1.25	$1.18 - 1.25
	Piers 26-28	$0.75 - 1.00	$0.75 - 1.00
	Piers 48	$0.85 - 1.10	$0.85 - 1.00
	Pier 50	$0.75 - 1.00	$0.65 - 0.75
	Pier 54 Shed	$0.60 - 0.75	$0.60 - 0.75
	SOUTHERN WATERFRONT		
	SWLs 343 & 354	$0.75 - 0.85	$0.80 - 0.75
	SWL 345	$0.75 - 1.00	$0.70 - 0.80
	Facility 6019	$0.55 - 0.55	$0.55 - 0.55
	Pier 80	$0.75 - 0.85	$0.80 - 0.75
	Pier 92 & SWLs 344 & 349	$0.75 - 0.85	$0.80 - 0.75
	Pier 96 M & R	$0.75 - 0.85	$0.80 - 0.75
OPEN LAND AND PIER SPACE USES:			
INDUSTRIAL GROSS LEASES: "PORT STANDARD NET LEASE"	UNPAVED LAND	$0.20 - 0.25	$0.18 - 0.20
	PAVED LAND	$0.22 - 0.25	$0.20 - 0.23
	IMPROVED LAND	$0.25 - 0.30	$0.22 - 0.28
	SUBMERGED LAND	$0.11 - 0.15	$0.10 - 0.14
	Aprons	$0.22 - 0.25	$0.22 - 0.25

Exhibit C

TYPE OF USE & TYPE OF LEASE	CLASS & LOCATION OF FACILITY/SPACE	MINIMUM INITIAL LEASE RENTAL RATES Monthly Per Sq. Ft.	MINIMUM NET EFFECTIVE RENTAL RATES Monthly Per Sq. Ft.*
FISHING INDUSTRY USES:			
INDUSTRIAL GROSS LEASES:	FISH WHOLESALING & PROCESSING SPACE		
	Improved Fish Processing Space		
	Pier 45 Sheds	$0.80 - 0.90	$0.75 - 0.85
	Second floor warehouse	$0.40 - 0.45	$0.35 - 0.40
	Pier 45 Office 1st fl office	$1.10 - 1.50	$1.05 - 1.25
	Pier 45 2nd fl mezz	$0.85 - 1.25	$0.75 - 1.00
	Sheds		
	Pier 33	$0.85 - 0.90	$0.80 - 0.85
	699 Illinois	$0.80 - 0.85	$0.75 - 0.85
	Aprons	$0.22 - 0.22	$0.22 - 0.22
LICENSES:	FISHING GEAR STORAGE	$0.22 - 0.22	$0.22 - 0.22

+ The range in rental rates is provided as an example of the minimum rental rates for different space in the building (ie. higher rates for higher floors). It is not, and should not be construed as, a cap or maximum rental rate for such space.

* Minimum Net Effective Rents are rents that reflect the application of rent credits for new paint and carpet. The Minimum Net Effective Rates reflect the amortization of rent credits provided by Port over the term of the lease.

PARKING RATES SURVEY
As of May 10, 2011

	Location	Operator	Phone #	Monthly Parking						Daily Parking	Hourly Parking	Covered / Uncovered
				Reserved	Non-reserved	Vac-ancy	In/Out Privilege	Days / Week	Hour			
1	Beach & Hyde Garage 655 Beach / Leavenworth & Hyde	Propark America	673-1735	--	$225 $175	No No	Yes Yes	7 days M-F	24 hrs	$21 M-F 7am-12am, $25 S-S 7am-12am $28 /24 hrs	$6 /hr	Covered
2	Anchorage Shopping Center Garage 500 Beach / Jones & Leavenworth	Ace Parking	673-7762 725-2338	$275	$150 non-tenant $130 tenant	Yes	Yes	7 days	24 hrs	$32 $8 M-F, in before 9am, out by 6pm	$2 /20 mins	Covered
3	Fisherman's Wharf Parking 273 Jefferson / Beach & Jones	Wharf Properties, Inc	885-4884	--	--	--	--	--	--	$7.75 M-F before 10am, $15 M-F 10am-3pm, $7.50 M-F after 3pm, $20-$24 S-S	$3.5 /30 mins	Uncovered
4	401 Beach / Jones & Taylor	Nunzio Corp		--	--	--	--	--	--	$10 M-Th $15 F-S	--	Uncovered
5	Wharf Garage 350 Beach / Taylor & Mason	Imperial Parking	227-0114	--	$150 $130	Yes Yes	Yes Yes	7 days 7 days	24 hrs 7am-7pm	$15 daily, max $30 for 24 hrs $8 in before 9am M-F	$4 /hr	Covered
6	Longshoremen's Hall Parking Lot North Point / Mason & Taylor	City Park	495-3909	--	$150	Yes	Yes	7 days	6am-12am	$10 M-F 6am-12am $20 S-S 6am-12am	--	Uncovered
7	Cost Plus Plaza Parking Garage 455 North Point / Taylor	City Park	441-6932	--	$175	Yes	Yes	7 days	7am-9pm	$15 for 12 hrs, $35 overnight	$2 /30 mins	Covered
8	North Point Center Garage 350 Bay / Powell & Mason	Imperial Parking	227-0114	--	$170 $145	Yes Yes	Yes Yes	7 days M-F	24 hrs	$30 M-F $35 S-S	$6 /hr M-F	Covered & Uncovered
9	Triangle Parking Lot 2860 Taylor / Jefferson	Central Parking	277-0400	--	--	--	--	--	--	$33 8am-12am, add $15 overnight	$3 /20 mins	Uncovered
10	Pier 39 Garage Embarcadero / Stockton	Ampco System	705-5418	--	$195 tenants only	Yes	Yes	7 days	24 hrs	$35	$7 /hr	Covered
11	2300 Stockton & Grant	Liberty Parking Mgmt	650-342-3010	--	$250	Yes	Yes	7 days	24 hrs	$10 for 10 hrs $20 for 24 hrs	--	Covered
12	Northpoint Lot 100 Northpoint St / Grant	Imperial Parking	227-0114	--	$150	No	Yes	7 days	24 hrs	$15 daily max M-S	--	Uncovered
13	C Garage 2210 Stockton / Bay & Northpoint	Imperial Parking	227-0114	--	$170 $150	No No	Yes Yes	7 days M-F	24 hrs 6am-11pm	$15 daily max M-F, $15 S-S $9 in before 9am M-F	--	Covered
14	Bay / Embarcadero & Kearny	Central Parking	277-0400	--	$225	Yes	Yes	7 days	24 hrs	M-F: $25 all day, $12 in by 9am, $12 after 5pm S-S: $30 all day, $10 after 5pm	$5 /30 mins M-F	Uncovered
15	80 Francisco Garage	City Park	398-4162	$375	$225	Yes	Yes	7 days	24 hrs	$15 for 12hrs, $25 for 24 hrs $12 M-F, in by 9am, out by 6pm	$2 /20 mins	Covered
16	55 Francisco Garage	Ace Parking	398-0208	$250	$225	Yes	Yes	7 days	24 hrs	M-F: $15 in after 9am, $12 in before 9am S-S: $10	$2 /20 mins	Covered
17	Levy Plaza Garage Sansome / Greenwich	Ampco System	981-8213	$400 $350	-- $325	Yes Yes	Yes Yes	7 days M-F	24 hrs	$20 for 12 hrs, $25 for 24 hrs, $17 in by 9am & out by 6pm	$3 /20 mins	Covered
18	Pier 29-1/2 and Pier 27/29 Valley	Priority Parking	777-4042	$375	$260	Yes	Yes	7 days	24 hrs	$15 flat, $10 after 4pm & wknd	--	Uncovered
19	Pier 27 and Pier 27 South Apron	Priority Parking	777-4042	$375	$260	Yes	Yes	7 days	24 hrs	$15 flat, $10 after 4pm & wknd	--	Uncovered
20	Pier 15/17 Valley	Priority Parking	777-4042	$350	$300	Yes	Yes	M-F	24 hrs	$15 flat, $10 after 4pm	--	Uncovered
21	SWL 321 Green / Front / Embarcadero	Priority Parking	777-4042	$400	$350	Yes	Yes	7 days	24 hrs	$16 in by 11am, $18 11am-4pm, $25 24hrs, $10 after 4pm & wknd	--	Uncovered
22	SWL 322-1 Front / Broadway & Vallejo	Priority Parking	777-4042	$375	$300	Yes	Yes	7 days	24 hrs	$12 in by 8am, $14 8am-11am, $18 11am-4pm, $10 after 4pm, $8 wknd, $16 24 hrs wknd	--	Uncovered

PARKING RATES SURVEY
As of May 10, 2011

	Location	Operator	Phone #	Monthly Parking						Daily Parking	Hourly Parking	Covered / Uncovered
				Reserved	Non-reserved	Vac-ancy	In/Out Privilege	Days / Week	Hour			
23	SWL 323 Davis / Vallejo / Embarcadero	Priority Parking	777-4042	$375	$300	Yes	Yes	7 days	24 hrs	$15 before 10am, $18 10am-4pm, $10 after 4pm & wknd, $20 24hrs wknd	--	Uncovered
24	SWL 324 Davis / Broadway / Embarcadero	Priority Parking	777-4042	$375	$300	Yes	Yes	7days	24 hrs	$15 before 10am, $18 10am-4pm, $10 after 4pm & wknd, $20 24hrs wknd	--	Uncovered
25	Davis / Broadway & Valejo	West Coast Parking	408-592-3051	--	$250	No	Yes	7 days	7am-6pm	$15 M-F $8 after 5pm & S-S	--	Uncovered
26	847 Front Street Front / Broadway & Vallejo	Pacific Park Mgmt	440-2099	--	$300	Yes	Yes	M-F	oam-8pm	$15	$2.50 /20 mins	Covered
27	750 Front / Broadway & Pacific	City Park	399-9783	--	$350 $325	No No	Yes Yes	M-F 7 days	24 hrs	$18 in after 9am, all day $15 9am-7pm	$2.50 /20 mins	Covered
28	750 Battery Parking Garage Broadway / Battery & Front	Ampco System	956-8148	--	$320	No	Yes	M-F	7am-7pm	$18 in after 9:30am, $27 for 24 hrs $15 in by 9:30am & out by 7pm	$2.50 /20 mins	Covered
29	900 Sansome / Broadway	Liberty Parking	650-342-3010	--	$280	Yes	Yes	M-F	6am- 7:30pm	$18 M-F all day, $25 oversize $14 M-F in by 11am & out by 7:30pm	--	Covered
30	955 Sansome / Broadway & Vallejo	Bay Parking	823-1066	--	$300	Yes	Yes	7 days	24 hrs	$18 in after 10:30am $14 in before 10am	$5 /30 mins	Covered/ Uncovered
31	825 Sansome / Pacific & Broadway	Priority Parking	777-4042	--	$340	Yes	Yes	M-F	6am-10pm	$20 all day $15 in by 11am & out by 3pm	$5 /20mins	Covered
32	350 Pacific / Battery & Sansome	American West	596-8743	--	$280	Yes	Yes	7 days	24 hrs	$15	--	Uncovered
33	768 Sansome / Pacific & Jackson	California Parking	468-4860	--	$395 $345	Yes Yes	Yes No	7 days	24 hrs	$24 9:30am-7pm, $16 in before 9am & out after 5pm	$2.50 /20 mins	Uncovered
34	Golden Gateway Garage 250 Clay / Battery & Front	Five Star Parking	433-4722	$500	$390	Yes	Yes	7 days	24 hrs	$36 10am-10pm $20 in before10am, out before 7pm	$7 /hr	Covered
35	Embarcadero Center Garage Building 1, 2, 3 & 4	Ampco System	772-0670	$650	$435 non-tenant $410 tenant	Yes	Yes	7 days	24 hrs	$32, out by 12am	$3 /15 mins M-F $3 /hr S-S	Covered
36	Hornblower Yachts Parking Lot Pier 3	Hornblower Yachts	788-8866	--	$325	Yes	Yes	M-F	6am-12am	$20 8am-12am $17 in before 8am, out by 6pm	$5 /hr	Uncovered
37	Ferry Bldg Investors Parking Lot SWL 351	Ace Parking		--	--	--	--	--	--	$50	$6.50 /hr	Uncovered
38	1 Market Garage Market / Spear	Ace Parking	777-2292	$600	$495	No	Yes	7 days	24 hrs	$44 6am-7pm	$12 /hr	Covered
39	Rincon Center Garage 121 Spear St / Mission & Howard	Standard Parking	882-9468	$475	$375	Yes	Yes	M-F	6am-9pm	$29.50 M-F, $10 after 5pm $10 S-S	$6 /30 mins	Covered
40	75 Howard Garage Howard / Steuart & Spear	Ace Parking	543-2214	$435	$375	Yes	Yes	7 days	24 hrs	$29.50 in after 9am, out before 11pm $21 in before 9am, out by 6pm	$3 /15 mins	Covered
41	Bayside Lot 1 Bryant St / Embarcadero & Beale	Imperial Parking	227-0114	--	$200	Yes	Yes	7 days	24 hrs	$12 in after 10am, $10 in before 10am $6 M-F after 4pm, $6 11pm-6am	$5 /hr	Uncovered
42	Bayside Lot Piers 30/32	Imperial Parking	227-0114	--	$150 $140	Yes Yes	Bef 11pm Yes	7 days 7 days	5am-11pm +N 5am-11pm	$11 in after 10am $10 in before 10am	$5 /hr	Uncovered/ Gated Lot
43	China Basin Landing Garage 3rd Street / Berry	Ace Parking	625-0755	$350	$300 non-tenant $265 tenant	No	Yes	7 days	24 hrs	$20	$9 /hr	Covered
44	Giants Lot 74 Mission Rock	Imperial Parking	227-0114	--	$200 $140	Yes Yes	Yes Yes	7 days M-F	24 hrs 6am-6pm	$14 daily max after 10am $9 in before 10am	$3 /1st hr, $4 /2nd hr, $5 /3rd hr	Uncovered



Other Parking Facilities Located In The Vicinity

Port-managed Parking Facilities

- A SWL 303
- B SWL 302
- C Wharf J3
- D Pier 45 Shed C
- E Pier 9
- F Agriculture Building

1. 655 Beach / Leavenworth
2. 500 Beach / Jones
3. 273 Jefferson / Beach
4. 401 Beach
5. 350 Beach
6. Longshoremen's Hall Parking Lot
7. Cost Plus Parking Garage
8. North Point Center Garage
9. Triangle Parking Lot
10. Pier 39 Garage
11. 2300 Stockton & Grant
12. 100 Northpoint St / Grant
13. 2210 Stockton / Bay
14. Bay / Embarcadero & Kearny
15. 80 Francisco Garage
16. 55 Francisco Garage
17. Levi Plaza Garage
18. Pier 29 & Pier 27 /29 Valley
19. Pier 27 & Pier 27 South Apron
20. Pier 15 / 17 Valley
21. SWL 321
22. SWL 322-1
23. SWL 323
24. SWL 324
25. Davis / Broadway & Vallejo
26. 847 Front Street
27. 750 Front / Broadway & Pacific
28. 750 Battery Parking Garage
29. 900 Sansome / Broadway
30. 955 Sansome / Broadway & Vallejo
31. 825 Sansome / Pacific & Broadway
32. 350 Pacific / Battery & Sansome
33. 768 Sansome / Pacific & Jackson
34. Golden Gateway Garage
35. Embarcadero Center Garage
36. Pier 3
37. SWL 351

APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE _____
CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

EXHIBIT D

DRAWN BY: ECC	DATE: May 10, 2011
CHECKED BY: T. LEE-LAM	SCALE: 1" = 1000'
DRAWING NO.	SHEET NO. 1 OF 3 SHEETS

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APPROVED BY SAN FRANCISCO PORT COMMISSION DATE _____ _____ CHIEF HARBOR ENGINEER	SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO DEPARTMENT OF ENGINEERING	EXHIBIT D	DRAWN BY: ECC CHECKED BY: T. LEE-LAM DRAWING NO.
			DATE: May 10, 2011 SCALE: 1" = 1000' SHEET NO. 3 OF 3 SHEETS

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Port-managed Parking Facilities

- F Agriculture Building
- G Pier 26

Other Parking Facilities Located In The Vicinity

- 38 1 Market Garage
- 39 Rincon Center Garage
- 40 75 Howard / Steuart & Spear
- 41 1 Bryant / Embarcadero & Beale
- 42 Pier 30 / 32
- 43 China Basin Landing Garage
- 44 Giants Parking Lot

APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE _____
CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

EXHIBIT D

DRAWN BY: ECC	DATE: May 10, 2011
CHECKED BY: T. LEE-LAM	SCALE: 1" = 1000'
DRAWING NO.	SHEET NO. 2 OF 3 SHEETS

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EXHIBIT E

2011-12 FY Special Events and Filming Fee Schedule

	Rate
Still Photo Shoot	
Outdoor:	
Simple per day	$ 1,000.00
Major per day	$ 2,000.00
Indoor:	
Piers simple per day	$ 1,000.00
Piers major per day	$ 2,000.00
Pier 1 per day (Port offices - after hrs.)	$ 2,000.00
Pier 1 – Bayside 1-4	$ 2,000.00
Filming	
Simple per day	$ 1,000.00
Major per day	$ 2,000.00
Special Events	
Athletic events (walk/run/bicycle) per day	$ 1,000.00
Private event per day	$ 2,000.00
Public event per day	$ 2,000.00
Pier 30/32 – Entire Pier	
Private event:	
Event day	$12,500.00
Set-up per day	$ 2,500.00
Paid attendees:	
Event day	$15,000.00
Set-up per day	$ 2,500.00
Free admittance:	
Event day	$10,000.00
Set-up per day	$ 2,500.00
Pier 48 – Shed A & C	
Shed A Full Venue per day	$ 7,500.00
Set-up and take down	$ 1,500.00

Shed A Half Venue	$ 5,000.00
Set-up and take -down	$ 1,000.00
Shed A Quarter Shed	$ 3,000.00
Set-up and take-down	$ 1,000.00
Shed A and Valle Full Venue	$ 9,000.00
Set-up and take-down per day	$ 1,500.00
Shed A and Valley Haft Venue	$ 6,000.00
Set-up and take-down	$ 1,000.00
Shed A and Valley Quarter	$ 4,000.00
Set-up and take-down	$ 1,000.00

All rates are daily.

Notes:

Minor film and photo shoots are those that require very few to no support functions, i.e. the photographer and the subject, minimal equipment, etc.

Major film and photo shoots are those that require substantial support, i.e. film crew, props, vehicles, generators, lighting, etc.

At no time shall the fee charged for filming or a special event at a specific facility is less than the rental rate as specified under the Rental Rate Schedule for that premises.

CBRE CONSULTING

CBRE
CB RICHARD ELLIS

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MEMORANDUM

To: Jeff Bauer and Jonathan Stern; Port of San Francisco

From: Mary A. Smitheram-Sheldon; CBRE Consulting

Date: June 2, 2011

Subject: Fiscal Year 2011-12 Monthly Rental Rate Schedule, Monthly Parking Stall Rates, and Special Event and Filming Rates Review

As requested, CBRE Consulting (CBRE) has reviewed the June 14, 2011 Memorandum prepared by Port of San Francisco staff, titled Informational Presentation of the Proposed Fiscal Year 2011-12 Monthly Rental Rate Schedule, Monthly Parking Stall Rates, and Special Event and Filming Rates (Memo). This is the third consecutive year in which CBRE Consulting prepared this type of review. In each year, CBRE has focused its review on the proposed monthly rental rate schedule for the Class B and C office space, office storage space, and warehouse/industrial space, as well as the monthly parking stall rates. The special event and filming rates were not reviewed by CBRE.

Given the nuances associated with each property leased by the Port of San Francisco, CBRE reviewed the rates for overall reasonableness based on the included referenced material as well as additional reliable market data gathered by CBRE. CBRE also paid close attention to the changes compared to the prior year's rate schedule. In summary, CBRE concludes that the proposed rental rate schedule appears generally reasonable and consistent with overall market trends.

METHODOLOGY AND DATA SOURCES

The Memo utilized brokerage reports from reputable firms, recent Port lease data, and other surveys as the basis for its proposed rent schedule. These data sources are all believed to be sufficient for the broad categories of land uses considered.

In its Memo, Port staff utilized the quarterly broker report prepared by CB Richard Ellis as a benchmark for San Francisco office property performance, along with recent Port lease data. In the peer review process, CBRE also reviewed the CB Richard Ellis quarterly broker report, as well as a broker report prepared by Grubb & Ellis.[1] In addition, CBRE analyzed specific comparables from its research database to test for reasonableness.

The industrial/warehouse market review relied on the Cassidy Turley/BT Commercial Industrial Report for the first quarter of 2011, in addition to data on recent lease contracts at Port properties. The Cassidy Turley/BT Commercial Report is believed to be the most comprehensive and accurate brokerage report for the San Francisco industrial market. CBRE Consulting reviewed the same Bay Area industrial/warehouse market report for the first quarter of 2011.

[1] Quarterly market reports prepared by other brokerage firms referenced in previous years were also reviewed, but these firms have since curtailed the depth of data presented, thus limiting the utility of their reports.

In May of 2011, Port Staff updated its prior survey of San Francisco parking lots and garages located close to the waterfront to determine the appropriateness of their parking rates. This survey appears to be fairly comprehensive and covers the areas most competitive with the Port's parking lots.

CONCLUSIONS

In general, CBRE Consulting agrees with Port staff's recommendation for Fiscal Year 2011-12 to maintain the prior fiscal year's minimum rent levels for the majority of the Port's office and industrial space. Modest adjustments were made to certain spaces, such as decreases to two office buildings that have proven difficult to lease and increases to some of the industrial spaces to reflect building upgrades and increased demand. CBRE Consulting also corroborates the Port's recommendation to keep parking rates unchanged, particularly in reflection of the rate increase incorporated for Fiscal Year 2009-10. The following paragraphs discuss CBRE's findings for the three major land use categories.

Office

The Fiscal Year 2011-12 minimum monthly rental rates for the majority of the Port's Class B and C office space remain unchanged from the prior year schedule, which reflected a reduction in rents for more than half of the office space ranging from 8 to 32 percent from Fiscal Year 2009-10. The rent reductions implemented in last year's schedule were consistent with Citywide average asking rent trends noted at that time. As reflected in the Memo, the brokerage reports, and the comparables analysis, the office market has stabilized and commenced a recovery as of the first quarter of 2011, with positive net absorption totaling 535,670 square feet. This is the first quarter of positive absorption in five quarters and the strongest quarterly net absorption since the fourth quarter of 2006. However, this nascent recovery is being spurred by growth in the technology sector, which favors "creative" space in the broader South of Market submarkets. Therefore, not all of the office submarkets are currently benefiting from this demand. For example, creative space in areas such as the Multimedia Gulch submarket have experienced very low vacancy rates (for example, 7.4 and 2.9 percent for Class B and C space, respectively) and increasing average asking rents, such as a 24.6 percent increase in Class B rents. On the other hand, three other submarkets (Yerba Buena, South of Market, and Civic Center/Van Ness) have vacancy rates in excess of 30 percent. Overall, vacancy rates remain substantially above 10 percent, which is considered equilibrium, particularly for Class B space at 17.5 percent. Nonetheless, Class B space has experienced a rent increase of 8.4 percent over the past year, followed by Class C space at 5.0 percent and Class A rents 4.7 percent.

Class B office space average asking rents throughout the City range from a low of $1.85 to a high of $2.96 per square foot per month (full service gross) according to the CB Richard Ellis market report. The Port's Class B proposed minimum rents for Fiscal Year 2011-12 range from $2.25 to $3.75 per square foot per month (full service gross)[2], which are, at the low-end, within the range of those indicated and at the high-end, appear reasonable given the waterfront locations of the Port's Class B office space. The one reduction in rent for this class of space is at Pier 9 Pier Offices, which has a recommended reduction of $0.25 per square foot per month (10 percent) in an effort to boost this building's occupancy rate.

[2] The highest minimum rental rate is for Pier 33 ½ North which is a net lease. CBRE Consulting used an adjustment factor of $.75 per square foot to estimate the equivalent full service gross rental rate. The adjustment factor was provided by the Port of San Francisco based on its expenses for janitorial and utilities in existing leases.

Rents for Class C office space range from $1.60 to $2.21 per square foot per month (full service gross) according to the CB Richard Ellis broker report. The minimum monthly rents for Class C office space recommended by Port staff for 2011-12 are between $1.00 and $2.75 per square foot per month (full service gross)[3] for general office space and $1.00 per square foot per month for office storage space. This range is generally within market parameters. For a few properties with very low rents, these spaces are located in more industrial neighborhoods and thus their rents are influenced by the industrial market as well. For this class of space, there is one recommended rent reduction, $0.10 per square foot per month (4 percent) for window office at the Agriculture Building, which has a low occupancy rate. There is also a new building on the Class C roster, 671 Illinois Street, which had previously been occupied by a long-term tenant, is now available for rent. Due to the fair condition of this building, the minimum rent has been set at a low $1.00 per square foot per month. Lastly, 696 Amador has been reclassified from full service gross building to a triple net building.

Given the uncertain strength of the nascent recovery, which appears to be dominated by technology tenants, CBRE concurs with the Port's decision to generally maintain its rent schedule. It is important to reiterate that the Port is able to negotiate rents above those indicated in the minimum monthly rent parameters; therefore, should the market improvement take a strong upward trajectory, the Port has the ability to negotiate higher rents.

Industrial and Warehouse

Most of the industrial gross lease rate recommendations remained unchanged from Fiscal Year 2010-11,[4] with the exception of Piers 19, 23, and 27/29, which have rental increases from $0.05 to $0.20 per square foot per month. The greatest increased is indicated for Pier 19, up $0.20 per square foot per month, due to building improvements including a new roof. The San Francisco industrial/warehouse market, with generally stable vacancy rates and modestly increasing rental rates, is considerably less dynamic than the office market. According to Cassidy Turley/BT Commercial, vacancy rates remain in the low 5.0 percent range. However average asking rates have increased from $0.75 per square foot per month (gross) in early 2010 to $0.83 per square foot per month (gross) in early 2011, or 10.7 percent. The recommended rent schedule is within the broader range of rents quoted by Cassidy Turley/BT Commercial. A final point regarding the industrial space at the Northeast Waterfront in particular is that this space is unique in San Francisco, so much so that it does not constitute a submarket for tracking purposes by the Cassidy Turley brokerage firm.

Parking

Port staff has proposed to leave the parking rates for the Fiscal Year 2011-12 unchanged for an additional year after a slight increase in Fiscal Year 2009-2010. The only proposed change is a reduction in the monthly rent for uncovered parking at the administration building at Pier 80. Given the relative inelasticity of parking demand in San Francisco and the results of the May 2011 Parking Survey, CBRE Consulting believes that maintaining the current parking rate schedule is appropriate.

The contents of this memorandum are subject to the attached Assumptions and General Limiting Conditions.

[3] The highest minimum rental rate for Class C space is $2.00 per square foot net of expenses, therefore CBRE Consulting applied an estimated expense allowance of $.75 per square foot per month to account for this difference.

[4] Since most of these rates remained unchanged from Fiscal Years 2008-09 to 2009-10 and 2010-11, they represent a three-year stagnation in industrial/warehouse minimum rental rates.

CBRE
CB RICHARD ELLIS

ASSUMPTIONS AND GENERAL LIMITING CONDITIONS

CBRE Consulting has mode extensive efforts to confirm the occurocy ond timeliness of the informotion contained in this study. Such informotion wos compiled from o voriety of sources, including interviews with government officiols, review of City ond County documents, ond other third parties deemed to be relioble. Although CBRE Consulting believes oll informotion in this study is correct, it does not worront the occurocy of such informotion ond ossumes no responsibility for inoccurocies in the informotion by third porties. We hove no responsibility to updote this report for events ond circumstonces occurring ofter the date of this report. Further, no guorontee is mode os to the possible effect on development of present or future federol, stote or locol legislation, including ony regording environmentol or ecologicol matters.

The occomponying projections and onolyses are bosed on estimates ond assumptions developed in connection with the study. In turn, these ossumptions, ond their relotion to the projections, were developed using currently ovoiloble economic dato ond other relevont informotion. It is the noture of forecosting, however, thot some ossumptions moy not moteriolize, ond unonticipoted events and circumstonces moy occur. Therefore, octuol results ochieved during the projection period will likely vory from the projections, and some of the variations moy be moterial to the conclusions of the onolysis.

Controctual obligations do not include access to or ownership tronsfer of ony electronic dota processing files, programs or models completed directly for or os by-products of this research effort, unless explicitly so ogreed os port of the contract.

This report moy not be used for any purpose other thon thot for which it is prepored. Neither oll nor ony part of the contents of this study sholl be disseminated to the public through publicotion odvertising medio, public relations, news medio, soles medio, or ony other public means of communicotion without prior written consent ond opprovol of CBRE Consulting.

PORT OF SAN FRANCISCO

MEMORANDUM

July 7, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Monique Moyer
Executive Director

SUBJECT: Request authorization to accept and expend $70,000 in grant funds from the Association of Bay Area Governments for the Cargo Way Bicycle Lane Improvement Project, along Cargo Way between Third and Jennings Streets

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Overview

Port staff has applied for and was awarded a $70,000 grant from the Association of Bay Area Governments (ABAG) San Francisco Bay Trail Project to assist in funding the Cargo Way Bicycle Lane improvement project (Project). The San Francisco Bay Trail Project is a program administered by ABAG, designed to provide funding to accelerate the development of the Bay Trail. Cargo Way is an approximately ¾ of a mile roadway within the Port's jurisdiction *(see Attachment A - Site Location)*, which was constructed in the early 1970's to provide access and infrastructure to the India Basin Industrial Park and the Port's cargo operations. The roadway is also the location of the Blue Greenway, Bay Trail and planned local and regional bicycle system improvements. The existing condition of Cargo Way precludes safe pedestrian and bicycle access and is a significant gap in the Blue Greenway, Bay Trail and Bicycle systems. On September 14, 2010 the Port Commission approved Resolution 10-64 for a grant for $185,000 to also support this project.[1]

THIS PRINT COVERS CALENDAR ITEM NO. 8B

[1] September 14, 2010 Port Commission Staff Report and Resolution: http://www.sfport.com/Modules/ShowDocument.aspx?documentid=70

Project
The Port, working with the San Francisco Municipal Transportation Agency (MTA) and the City's Department of Public Works (DPW), has developed a design and cost estimate to improve bicycle and pedestrian access along Cargo Way between Third and Jennings Streets. The proposed project includes reconfiguring the existing roadway to accommodate a Class 1 bicycle facility along the length of the roadway, which will improve access to/from the southeast San Francisco neighborhoods to downtown and close a gap along the City's southern waterfront open space system referred to as the Blue Greenway.

The improvements will include a physical barrier that will provide protection to cyclists and pedestrians from industrial freight traffic utilizing Cargo Way, sign and signal modifications to accommodate the bicycle facility, lane demarcation and new signage to direct bicyclists to the facility *(see Attachment B - Initial Improvement Project Concept).*

Environmental Review
The proposed Cargo Way bicycle lane improvements are consistent with the San Francisco Bicycle Plan, Environmental Impact Report (Case 2007.0347E). The EIR was certified on June 25, 2009 by the San Francisco Planning Commission, and the decision to certify was affirmed by the San Francisco Board of Supervisors on August 4, 2009.

Funding
The Port has secured a variety of funding sources as outlined below to fund this project. ABAG, through its San Francisco Bay Trail Project, has found the Cargo Way Bicycle Improvement Project is eligible for grant funds in the amount of $70,000 from the Proposition 84 program that it administers to construct segments of the Bay Trail.

Working with MTA and DPW, the Port has developed a cost estimate of $430,000 for the total project cost. The following funding sources have been identified to support this project:

• Congestion Mitigation and Air Quality Improvement Grant	$185,000
• Port Southern Waterfront Beautification and Public Benefit Fund	$125,000
• MTA Bicycle Program Funding	$ 50,000
• ABAG - Bay Trail Grant	$ 70,000
• *Total*	*$430,000*

MTA and DPW have committed to providing the resources to assist in the design and coordination required to support the project. The Port is grateful to all our sister agencies for their support and assistance.

Schedule
The following presents a draft schedule for the design and construction of the project:

Project Phase	Start Date (Month, Year)	End Date (Month, Year)
Planning/Conceptual Engineering	August, 2010	October, 2010
Design Engineering	November, 2010	March, 2011
Bid and Construction	July, 2011	November, 2011
Project Closeout	December, 2011	

Port Commission Action
Through the attached resolution, staff seeks Port Commission authorization for the Port's Executive Director to accept and expend these grant funds from ABAG. The proposed resolution also authorizes the Executive Director to execute an agreement, subject to approval of the City Risk Manager and City Attorney's Office, for the Port to indemnify and hold ABAG, the Bay Trail Project, and the State harmless against claims, damages and liability, and to waive any claims for contribution or indemnity in connection with the grant agreement.

Prepared by: David Beaupre
Senior Waterfront Planner

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 11-47

WHEREAS, the Cargo Way Bicycle Lane Improvement is a ¾ of a mile roadway within the Port's jurisdiction which was constructed in the early 1970's to provide access and infrastructure to the India Basin Industrial Park and the Port's cargo operations. The Cargo Way Bicycle Lane Improvement project is also the location of the Blue Greenway, Bay Trail and planned local and regional bicycle system improvements; and

WHEREAS, the existing condition of Cargo Way precludes safe pedestrian and bicycle access and is currently a significant gap in the Blue Greenway, Bay Trail and bicycle systems; and

WHEREAS, the proposed project includes reconfiguring the existing roadway to accommodate a Class 1 bicycle facility along the length of the roadway, which will improve access to/from the southeast San Francisco neighborhoods to downtown and close a gap along the City's southern waterfront open space system referred to as the Blue Greenway; and

WHEREAS, the San Francisco Bay Trail Project is a program administered by the Association of Bay Area Governments (ABAG), designed to provide funding to accelerate the development of the Bay Trail; and

WHEREAS, ABAG, through its San Francisco Bay Trail Project, has found the Cargo Way Bicycle Improvement Project is eligible for grant funds in the amount of $70,000 from the Proposition 84 program that it administers to construct segments of the Bay Trail; and

WHEREAS, the proposed Cargo Way bicycle lane improvements are consistent with the San Francisco Bicycle Plan, Environmental Impact Report (Case 2007.0347E). The EIR was certified on June 25, 2009 by the San Francisco Planning Commission, and the decision to certify was affirmed by the San Francisco Board of Supervisors on August 4, 2009; and

WHEREAS, to receive the grant funds, the Port is required to enter into an agreement with ABAG to accept and expend the grant funds pursuant to certain terms and conditions including the Port's commitment to indemnify ABAG, the Bay Trail Project, and the State of California from any claims or liabilities arising from the grant agreement; now, therefore be it

RESOLVED, that the Port Commission hereby authorizes the Executive Director to accept and expend $70,000 in grant funds from ABAG, through its San Francisco Bay Trail Program, and to conduct all negotiations, execute and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary to secure the aforementioned grant funds; and be it further

RESOLVED that the Port Commission authorizes the Executive Director to enter into an agreement, as required by ABAG, to indemnify ABAG, the State and others for liability associated with the grant funds, as approved by the City Risk Manager and the City Attorney's Office; and be it further

RESOLVED that the Port Commission authorizes the Executive Director to seek Board of Supervisor's authorization to accept and expend the funds.

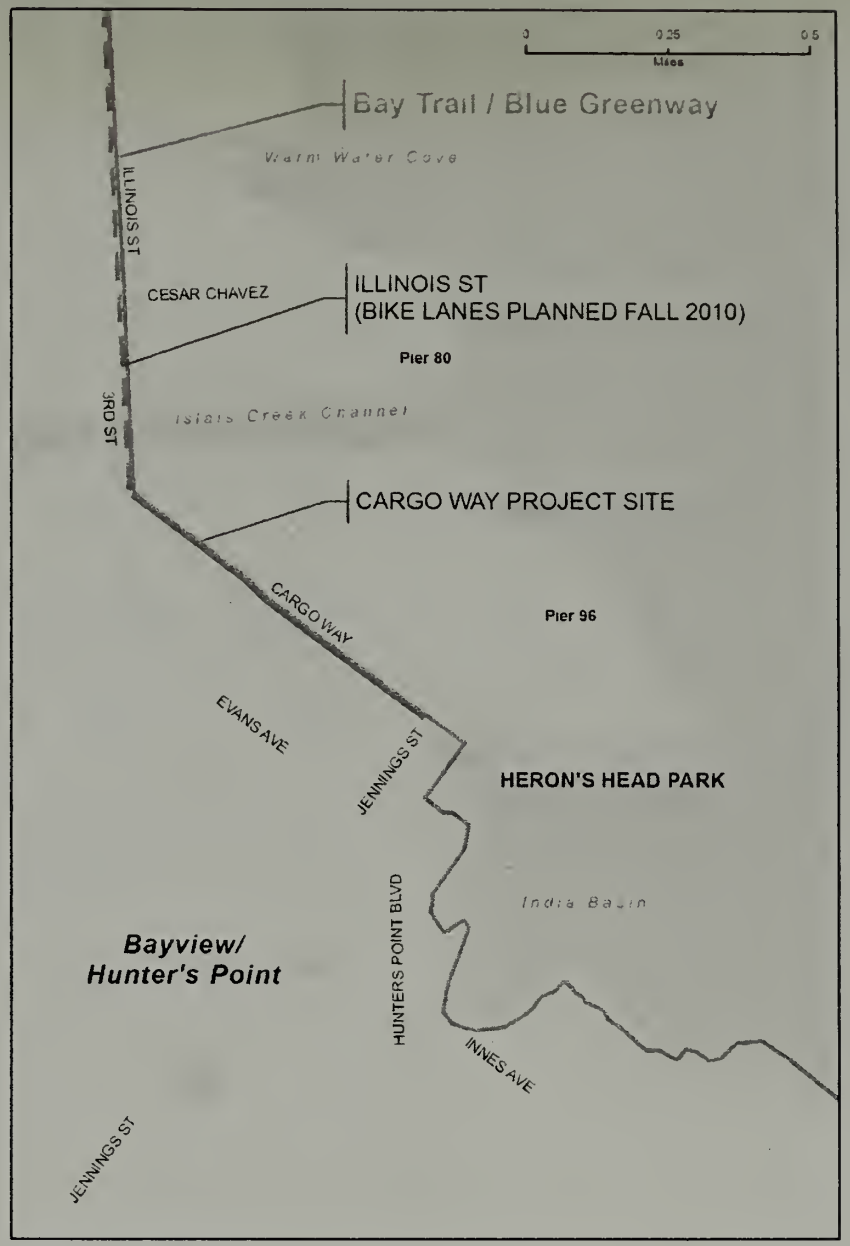
I hereby authorize that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of July 12, 2011.

Secretary

Attachment A. Cargo Way Site Location



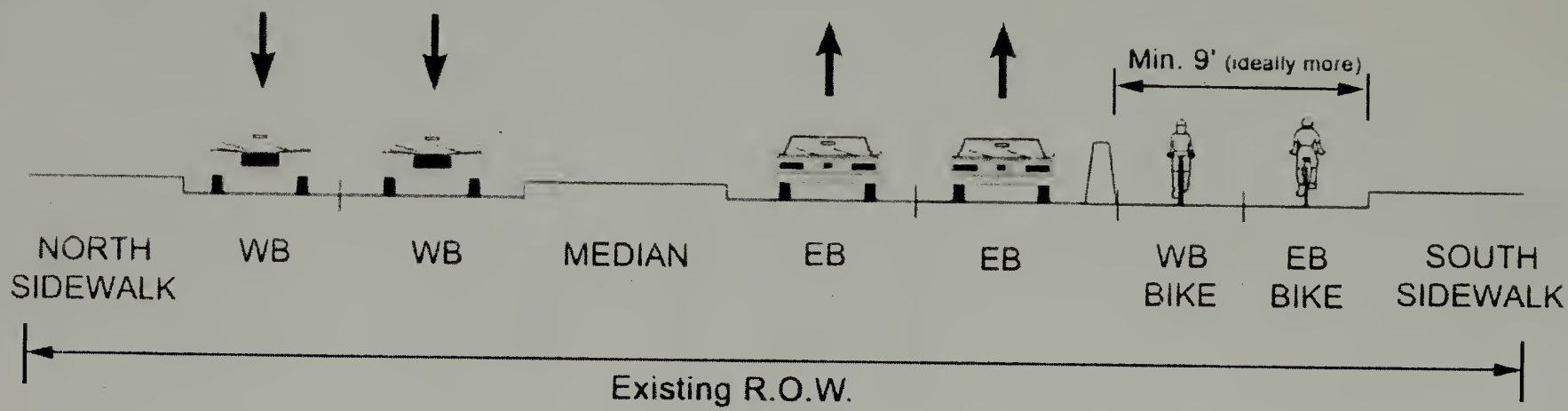
SITE LOCATION



SITE CONTEXT

Attachment B. Initial Improvement Project Concept –

Cargo Way Class 1 Bicycle Trail Improvements Concept



PORT OF SAN FRANCISCO

MEMORANDUM

July 7, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Monique Moyer
Executive Director

SUBJECT: Request authorization to award Construction Contract No. 2745, Hyde Street Harbor Joint Operations and Security Building Project, to Roebuck Construction Inc., in a not-to-exceed amount of $1,754,450, and also authorize staff to increase the contract amount by 10% (or $175,445) through contract modification or change order for a total of $1,929,895, in the event of unanticipated contingencies

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Overview

Port staff requests Port Commission to authorize the award of Construction Contract No. 2745, the Hyde Street Harbor Joint Operations and Security Building Project, to Roebuck Construction Inc., the lowest responsive, responsible bidder. This project will rehabilitate an existing warehouse building located at the north end of Hyde Street in the Fisherman's Wharf area into offices for the San Francisco Police Department Marine Unit and the Port's Fisherman's Wharf Harbormaster Offices.

Background

The Port Commission, at its meeting on April 26, 2011, authorized staff to advertise this construction project for bids (Resolution No. 11-24). A map showing the location of the project is shown in Attachment A. The Human Rights Commission (HRC) staff recommends a Local Business Enterprise ("LBE") subcontracting goal of 15%.

This Print Covers Calendar Item No. 8C

The scope of work for the base bid includes selective demolition of the building, refurbishing the existing structural system and select utilities, construction of a new building envelope and interior improvements which includes new public restrooms with showers and drinking fountain, Fisherman's Wharf Harbor offices, San Francisco Police Department Marine Unit (Marine Unit) offices and equipment storage, break room, meeting rooms, and minor site work to improve the open spaces and function of the building. The project was bid with two alternate bid items, which consisted of (1) a movable partition in the break room, and (2) a dive equipment drying rack for the Marine Unit. Under the proposed contract, the lowest responsive, responsible bidder shall provide all labor, supervision, management, materials and equipment for the project. The engineer's estimate for the project, including the scope of the two alternates was $1,750,000.

On June 15, 2011, Port staff received 6 bids for this project. Roebuck Construction, Inc. submitted the lowest bid with a base bid of $1,719,750 and two alternate bids of $34,700, for a total bid price of $1,754,450. HRC and Port staffs have determined that Roebuck Construction, Inc. is the lowest responsive, responsible bidder based on the LBE subcontracting participation, LBE discount, and contract requirements. Roebuck Construction, Inc. is a local construction company since April 11, 2001. They have performed work for the SF Unified School District and SF Department of Public Works.

Regulatory Approvals

The project requires the following regulatory approvals and permits:

The hazardous material abatement is limited to the existing windows, and will be performed prior to construction by the Department of Public Works (DPW) staff. The construction contract requires the contractor to submit multiple health and safety work plans for approval by the Port's Certified Industrial Hygienist (Hygienist). These plans will address protection of the public and workers from onsite health hazards during the project demolition and construction. The Hygienist will provide oversight to monitor air quality and work methods to ensure consistency with the approved health and safety work plans.

The project has been approved by the San Francisco Planning Department for compliance with the California Environmental Quality Act (CEQA). The San Francisco Bay Conservation and Development Commission (BCDC) has reviewed the project for compliance with BCDC requirements. BCDC required additional site work which is incorporated into the project. This work includes a new sidewalk adjacent to the building, bike bollards, benches, and widening of the existing waterside walkway. The permit was approved and issued on June 22, 2011.

The project proposes no construction within the Bay, therefore U.S. Army Corps of Engineers' review and permit is not required. Further, the rehabilitation work will disturb less than 50 cubic yards of soil, and therefore oversight by the Health Code 22A (aka Maher Ordinance) is not required.

San Francisco Local Hiring Policy for Construction

The Hyde Street Harbor Joint Operations and Security Building Project includes the requirement to hire locally in accordance with the City's new Local Hiring Ordinance, which became effective on March 25, 2011. For the initial year, the mandatory participation level is 20% of all project hours within each trade. This minimum allowance of hours will be allocated to local residents with no less than 10% of all project work hours within each trade performed by disadvantaged workers. Roebuck Construction, Inc.'s bid includes 18 separate subcontractors from asphalt paving to structural steel contractors who can contribute to meet the required level of local hires.

Funding

The project cost, including the base bid, the two alternate bid items, and the 10% contingency is fully funded by the following funds:

- CPO 158, designated for security fencing
- CPO 159, designated for security lighting
- CPO 166, a state grant fund designated for rehabilitation for the Hyde Street Harbor Joint Operations and Security Building to house the Marine Unit and Harbormaster Offices
- CPO 783, a Port of San Francisco Capital Fund also designated for the Hyde Street Harbor Joint Operations and Security Building to house the Marine Unit and Harbormaster Offices

The allocation from each fund is as follows:

	Title	Amount
Base Bid	CPO 158	$58,750
	CPO 159	$21,000
	CPO 166	$1,640,000
Alternate No. 1	CPO 166	$27,000
Alternate No. 2	CPO 166	$7,700
Total		$1,754,450
10% Project Contingency	CPO 158	$5,875
	CPO 159	$2,100
	CPO 166	$48,833*
	CPO 783	$118,637
Total Project Contingency		$175,445
Total with Contingency		$1,929,895

* Note: The contingency for alternates 1 and 2 is funded solely by CPO 166.

Schedule

The estimated project schedule is summarized below:

Milestone Activity	Date
Port Commission Award	July, 2011
Est. Notice to Proceed (NTP)	August, 2011
Est. Substantial Completion	April, 2011
Est. Final Completion	June, 2012

Summary

Port staff recommends that the Port Commission authorize the award of construction Contract No. 2745, the Hyde Street Harbor Joint Operations and Security Building Project, to Roebuck Construction Inc., as the lowest responsive, responsible bidder, in a not-to-exceed amount of $1,754,450, and also authorize staff to increase the contract amount by 10% (or $175,445) through contract modification or change order to a total of $1,929,895, in the event of unanticipated contingencies. Staff also recommends that the Port Commission authorize the Executive Director to accept the work once it is complete.

Prepared by: Wendy Proctor
Project Architect

For: Edward F. Byrne
Chief Harbor Engineer

Attachments:

A. Map
B. Bid Summary

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 11-48

WHEREAS, the Port Commission previously authorized the advertisement of bids for the construction contract for the Hyde Street Harbor Joint Operations and Security Building Project (the "Project"), Contract No. 2745, at its meeting on April 26, 2011; and

WHEREAS, Port staff received 6 bids on June 15, 2011 for Contract No. 2745; and

WHEREAS, Port Engineering staff and Human Rights Commission staff reviewed the bids and determined that Roebuck Construction Inc. is the lowest responsive, responsible bidder; and

WHEREAS, Roebuck Construction Inc. submitted a bid with a base bid amount of $1,719,750 and two alternate bids with the amount of $34,700, for a total bid price of $1,754,450; and

WHEREAS, the Project is fully funded from CPO's 158, 159, 166 and 783; and

WHEREAS, Roebuck Construction Inc.'s bid satisfies the 15% subcontracting goal for Local Business Enterprises (LBEs) as recommended by the Human Rights Commission (HRC) and the City's Local Hire Requirement; now, therefore be it

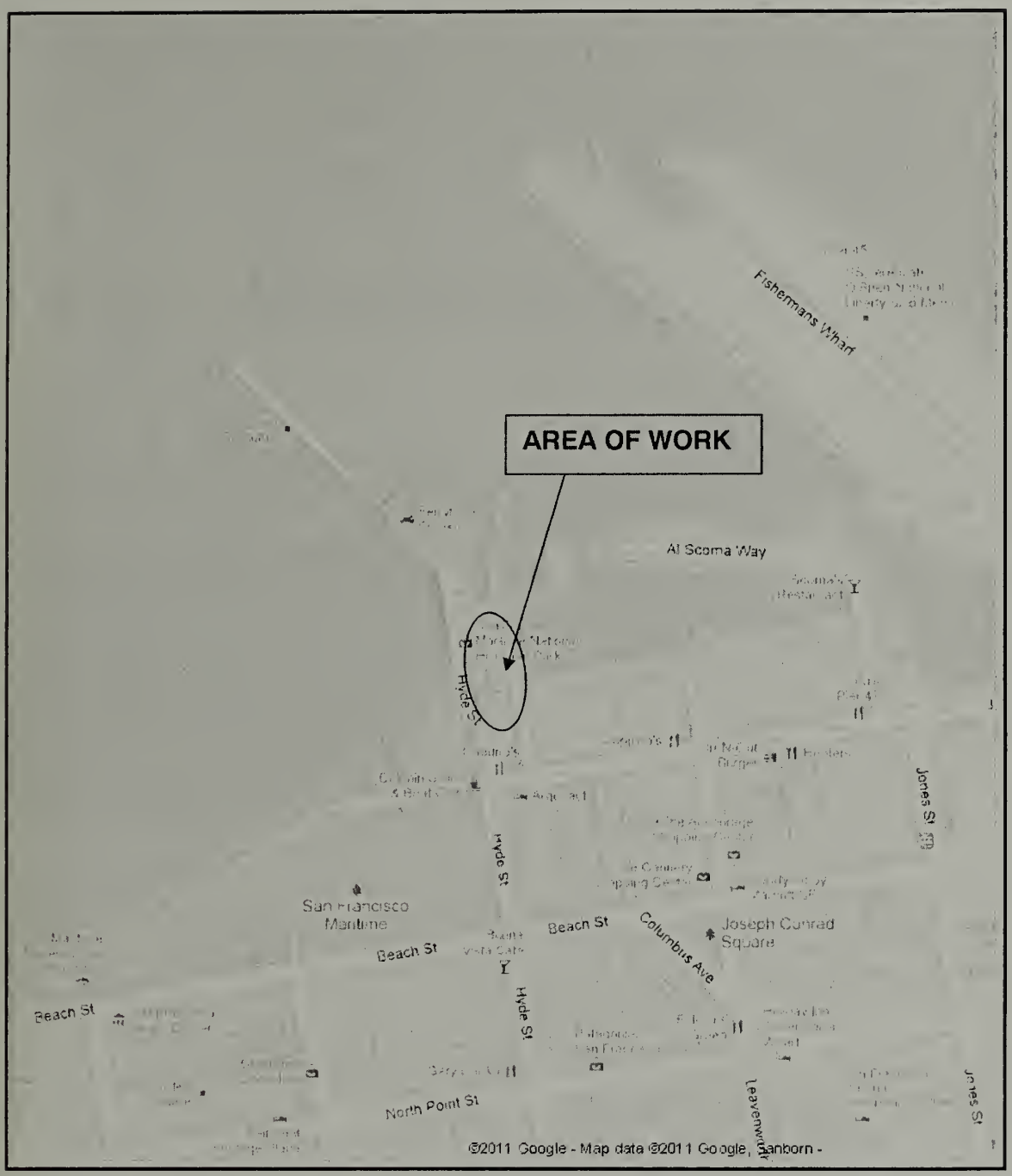
RESOLVED, that the Port Commission hereby authorizes the award of Construction Contract No. 2745, the Hyde Street Harbor Joint Operations and Security Building Project, to Roebuck Construction Inc., the lowest responsive, responsible bidder, for the amount of $1,754,450; and be it further

RESOLVED, that the Port Commission authorizes Port staff to increase the contract amount, as necessary, for unanticipated contingencies by an additional sum not to exceed $175,445 (10% of $1,754,450) through contract modification or change order for a total of $1,929,895; and be it further

RESOLVED, that the Port Commission hereby authorizes the Executive Director to accept the work once it is complete.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of July 12, 2011.

Secretary



Attachment A
Project Location Map

Contract 2745
Hyde Street Harbor Joint Operations and Security Building Project

PORT OF SAN FRANCISCO

ATTACHMENT B

B I D T A B U L A T I O N

BID OPENING DATE	06/15/11 IN PIER 1, SAN FRANCISCO
CONTRACT NUMBER	2745
PROJECT NAME	HYDE STREET HARBOR JOINT OPERATIONS AND SECURITY BUILDING
LBE GOAL: 15%	TOTAL NUMBER OF CALENDAR DAYS: 270

NUMBER OF BIDDERS:	06	ESTIMATE:	1,750,000	LOW BASE BID AMOUNT UNDER:	-75,000.00	PERCENT UNDER EST:	-4.29%

BIDDER ID	BASE BID	ALT. #1	ALT. #2	BID RANK BASE	BID RANK BASE + A1	BID RANK BASE + A1 + A2	BIDDER INFORMATION
1	1,906,000.00	36,000.00	23,700.00	5	5	5	CLW BUILDERS DAVID LIANG 1431 OCEAN AVENUE SAN FRANCISCO, CA 94112 PHN 415 333-9788 FAX 415 333-9787 Email TLAM@CLWBUILDERS.COM
2	1,822,000.00	6,500.00	12,000.00	3	3	3	HUEY CONST. MGT. CO. INC. dba MH CONSTRUCTION MGT. CO. MATTHEW HUEY 1630 17TH STREET SAN FRANCISCO,CA 94107 PHN 415 271-0631 FAX 415 558-9612 Email MHCHUEY@GMAIL.COM
3	1,675,000.00	25,000.00	9,000.00	1	1	1	EVRA CONSTRUCTION, INC. YEFIM OSTROVSKIY 100 N HILL DRIVE #45 BRISBANE, CA 94005 PHN 415 467-1336 FAX 415 467-1356 Email EVRACON@SBCGLOBAL.NET
4	1,934,621.34	28,429.15	6,900.00	6	6	6	DFPF COROPORATION dba FINE LINE CONSTRUCTION PAOLO FRIEDMAN 943 HOWARD STREET SAN FRANCISCO,CA 94103 PHN 415 512-7677 FAX 415 512-7688 Email PAOLO@FINELINECONST.COM

BIDDER ID	BASE BID	ALT. #1	ALT. #2	BID RANK BASE	BID RANK BASE + A1	BID RANK BASE + A1 + A2	BIDDER INFORMATION
5	1,861,855.00	47,453.00	8,052.00	4	4	4	GALLIERA INC., dba TRICO CONSTRUCTION CARMEN BRUSCHERA 981 HOWARD STREET SAN FRANCISCO, CA 94111 PHN 415 543-2100 X25 FAX 415 543-2106 Email CARMEN@TRICOCONSTRUCTION.COM
6	1,719,750.00	27,000.00	7,700.00	2	2	2	ROEBUCK CONSTRUCTION, INC. RUAIRI MURPHY 190 MISSISSIPPI STREET SAN FRANCISCO, CA 94107 PHN 415 255-1506 FAX 415 255-1508 Email RUAIRI@ROEBUCKSF.COM

SCHEDULE OF BID PRICES

Base Bid Item No.	Base Bid Item Description	Amount
1	Alterations to Building and Site	$ 1,716,300.00
2	Exterior Lighting	$ 40,000.00
3	Security Fencing	$ 22,000.00
4	Exterior Roll-up Door and Structural Support System at Outdoor Storage Area	$ 34,000.00
5	Exterior Roll-up Door at Entryway 1	$ 8,200.00
6	Exterior Metal Gate at Entryway 2	$ 5,500.00
7	Mobilization (Maximum 5% of the sum of bid items 1 through 6)	$ 80,000.00
TOTAL BASE BID PRICE (Summation of Base Bid items 1 through 7) =		$ 1,906,000.00

SCHEDULE OF BID PRICES FOR ALTERNATE ITEMS

Alternate Bid Item No.	Alternate Bid Item Description	Amount
A1	Folding Partition	$ 36,000.00
A2	Metal Dry Rack in Equipment Room	$ 23,700.00

Bid Item #	SECOND	THIRD	FOURTH
1	1,647,000.00	1,539,400.00	1,774,878.22
2	44,000.00	15,000.00	23,511.95
3	21,000.00	18,000.00	16,275.00
4	12,000.00	20,000.00	19,942.30
5	7,150.00	6,300.00	6,180.16
6	3,850.00	6,300.00	1,708.88
7	87,000.00	70,000.00	92,124.83
TOTALS	$1,822,000.00	$1,675,000.00	* $1,934,621.34

Alternate Item #	SECOND	THIRD	FOURTH
1	6,500.00	25,000.00	28,429.15
2	12,000.00	9,000.00	6,900.00

* Submitted amount included a math error – The sum of extensions governs over the Total Bid Price.

Bid Item #	FIFTH	SIXTH
1	1,716,373.00	1,590,000.00
2	21,150.00	21,000.00
3	19,934.00	22,000.00
4	16,163.00	28,000.00
5	5,486.00	7,000.00
6	1,873.00	1,750.00
7	80,876.00	50,000.00
TOTALS	$1,861,855.00	$1,719,750.00

Alternate Item #	FIFTH	SIXTH
1	47,453.00	27,000.00
2	8,052.00	7,700.00

SUBCONTRACTOR LIST

BIDDER ID	NAME AND LOCATION	CERTIFIED LBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT	LICENSE NO.	EXPIRES
01	SYNERGY		MOLD REMOVAL	*	804759	02/29/2012
	ASSOCIATED TRUCKING		DEMO/ SAWCUTTING	*	870205	12/31/2011
	JP PAVING		SITE CLEARING/ASPHALT/CONCRETE	*	733943	02/28/2013
	CAL PACIFIC		ROUGH CARPENTRY/METAL STUD FRAMING/FINISH CARPENTRY	*	830908	01/31/2012
	PACIFIC BAY		MASONRY	*	723413	06/30/2012
	ARCHITECTURAL MILLWORKS		CASTWORK/ WALL PANEL	*	949071	06/30/2012
	CK & DW	✓	DOORS & HARDWARE/ ACCESSORIES	33,600.00	927703	01/31/2013
	JC METAL	✓	STEEL/ SECURITY FENCE	131,300.00	546302	03/31/2013
	PIONEER CONTRACTOR		METAL ROOF / CANOPY	*	777064	04/30/2012
	UNITED CALIFORNIA GLASS		OVERHEAD COILING DOORS	*	628422	09/30/2011
	R & S GLAZING		WINDOWS/ GLAZING	*	846150	12/31/2012
	D & M PLASTERING		CEMENT PLASTER	*	607291	11/30/2012
	SENO CONSTRUCTION		DRYWALL	*	896482	05/31/2013
	SANDERS ASSOCIATES		ACOUSTICAL CEILING	*	614938	03/31/2013
	KIM'S FLOORING		FLOORING / BASE	*	739226	08/31/2011
	YUM'S MECH	✓	HVAC	130,800.00	583839	12/31/2011
	GOLDEN STATE PLUMBING		PLUMBING	*	616148	03/31/2013
	MC ELECTRIC	✓	ELECTRICAL / LOW VOLTAGE	233,000.00	688182	04/30/2012
	EXTREME PAINTING		PAINTING	*	923461	10/31/2012
	PRIORITY GRAPHICS	✓	SIGNAGE	14,500.00	763170	05/31/2013
TOTAL 01				543,200.00		

* - NO AMOUNT FOR SUBCONTRACTOR LISTED UNDER DOCUMENT 00435.

SUBCONTRACTOR LIST FOR ALTERNATE WORK

BIDDER ID	NAME AND LOCATION	CERTIFIED LBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT	LICENSE NO.	EXPIRES
01	J.C. METAL	✓	STEEL	17,700.00	546302	03/31/2013
TOTAL 01				17,700.00		

SUBCONTRACTOR LIST

BIDDER ID	NAME AND LOCATION	CERTIFIED LBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT	LICENSE NO.	EXPIRES
02	PIONEER CONTRACTORS, INC	✓	SECTION 7500 METAL ROOF PANELS	86,250.00	777064	04/30/2012
	LAI'S E&H ELECTRICAL		ELECTRICAL	103,000.00	659426	11/30/2012
	JC METAL SPECIALISTS INC	✓	ALTERATIONS TO BLS, SEC. FENCING, EXT. ROLL UP DOOR & METAL GATE	33,000.00	546302	03/31/2013
	LINOLEUM LARRY'S INC	✓	RESILIENT FLOORING, CARPETING	20,000.00	532270	06/30/2012
	ON SHORE CONSTRUCTION & MECHANICAL	✓	PLUMBING	90,000.00	449998	07/31/2011
	TOM'S METAL SPECIALIST	✓	METAL WORKS	63,000.00	728525	09/30/2012
	PRIORITY GRAPHICS	✓	SIGNAGE	14,500.00	763170	05/31/2013
	PACIFIC BAY MASONRY		CMU BUILDING VENEER	39,650.00	723413	06/30/2012
	MLS CONSTRUCTION	✓	CARPENTRY & FRAMING	90,000.00	609022	01/31/2013
	GT BLDG SUPPLY		WINDOWS	35,000.00	NA	NONE
	YUM'S MECHANICAL CO INC	✓	MECHANICAL	130,000.00	583839	12/31/2011
	BELLICITTI & PELLICCIOTTI CONST. CO INC		PARTIAL DEMO	14,000.00	214093	09/30/2011
	MBC MONTES BROS CONST. INC		PARTIAL DEMO	14,000.00	951587	08/31/2012
	OMEGA PACIFIC ELECT SUPPLY INC	✓	ELEC'L SUPPLIES	35,000.00	NA	NONE
	PACIFIC SHORE CONSTRUCTION	✓	DRYWALL STUCCO METAL FRAMING	80,000.00	735725	05/31/2013
	WESTER ACOUSTICS		ACOUSTICAL CEILING	26,000.00	465198	11/30/2012
TOTAL 02				873,400.00		

SUBCONTRACTOR LIST FOR ALTERNATE WORK

BIDDER ID	NAME AND LOCATION	CERTIFIED LBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT	LICENSE NO.	EXPIRES
02	JC METAL SPECIALISTS INC	✓	FOLDING PARTITION, METAL DRY RACK	18,000.00	546302	03/31/2013
	GT SUPPLIES		BASE CABINETS	9,500.00	NA	NONE
TOTAL 02				27,500.00		

SUBCONTRACTOR LIST

BIDDER ID	NAME AND LOCATION	CERTIFIED LBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT	LICENSE NO.	EXPIRES
03	ON SHORE CONSTRUCTION AND MECHANICAL	✓	PLUMBING	102,000.00	**449998	**07/31/2011
	FOX ELECTRIC CONSTRUCTION	*	ELECTRICAL	230,000.00	884893	09/30/2012
	PACIFIC BAY MASONRY		MASONRY	40,000.00	723413	06/30/2012
	ALCAL CONTRACTING, INC		ROOF/FLASHINGS	123,500.00	815286	11/30/2012
	PILOT CONSTRUCTION, INC	✓	ALUMINUM WINDOWS/GLAZING	80,000.00	935825	07/31/2011
	ATLANTIS INTERIORS, INC		ACOUSTICAL CEILING	23,000.00	**618201	**04/30/2013
	KOFMAN PAINTING CO		PAINTING	30,000.00	707984	06/30/2013
	TOM'S METAL SPECIALIST, INC	✓	STEEL	82,000.00	728525	09/30/2012
	JOE WANG CARPET & FLOORING	*	FLOORING	23,000.00	651496	07/31/2012
	G.Y. ENGINEERING CO		CONSULTING, HVAC MANAGER	70,000.00	610971	07/31/2012
	B-K MILL & FIXTURES		CASE WORK	29,000.00	428941	10/31/2012
	CITY LUMBER & HARDWARE		BUILDING LUMBER & HARDWARE	98,000.00	NA	NONE
	UNITED CALIFORNIA GLASS	*	ROLL-UP DOORS	20,500.00	628422	09/30/2011
	ASI MECHANICAL	*	HVAC	122,600.00	871248	06/30/2012
TOTAL 03				1,073,600.00		

* SUBCONTRACTOR NOT LISTED IF LBE CERTIFIED IN DOCUMENT 00435.
** CALIFORNIA LICENSE NUMBER AND EXPIRATION NOT LISTED IN DOCUMENT 00435.

SUBCONTRACTOR LIST FOR ALTERNATE WORK

BIDDER ID	NAME AND LOCATION	CERTIFIED LBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT	LICENSE NO.	EXPIRES
03	PILOT CONSTRUCTION	✓	BIFOLD DOOR	20,000.00	935825	07/31/2011
	TOM'S METAL SPECIALTIES, INC	✓	STEEL	9,000.00	728525	09/30/2012
TOTAL 03				29,000.00		

SUBCONTRACTOR LIST

BIDDER ID	NAME AND LOCATION	CERTIFIED LBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT	LICENSE NO.	EXPIRES
04	CONTRA COSTA DOOR		COILING DOOR	17,461.00	186913	01/31/2012
	ATLANTIS INTERIOR		ACOUSTICAL CEILING	22,919.00	618201	04/30/2013
	JOE WANG	✓	RESILIENT FLOOR	23,000.00	651496	07/31/2012
	KZ TILE	✓	TILE	6,646.00	767277	08/31/2011
	R & S GLAZING SPECIALTIES		WINDOWS	55,350.79	846150	12/31/2012
	D & S ASSOCIATES		PLUMBING	105,000.00	618294	04/30/2013
	PRIORITY ARCHITECTURAL GRAPHICS	✓	PARKING SIGNAGE	2,000.00	763170	05/31/2013
	TOMS METAL	✓	METALS	95,000.00	728525	09/30/2012
	PACIFIC DOOR		DOORS/ HARDWARE	36,000.00	443074	09/30/2011
	SIGNS AMERICA	✓	SIGNAGE	8,008.00	720811	04/30/2012
	SLATER CUSTOM PAINTING		PAINT	25,000.00	937380	09/30/2011
	PACIFIC BAY MASONRY		MASONRY	39,650.00	723413	06/30/2012
	BK MILLWORK		CASEWORK / FINISH CARPENTRY	28,850.00	428941	10/31/2012
	CORISH ELECTRIC	✓	ELECTRICAL	220,000.00	833237	03/31/2012
	RFJ MIZWINKEL		GYP. BOARD / PLASTER	187,919.00	468556	01/31/2013
	JEFFCO ROOFING		ROOFING	96,101.00	455190	04/30/2012
	YUMS MECHANICAL	✓	HVAC	130,000.00	583839	12/31/2011
	JDB CONSTRUCTION	✓	DEMO / PAVING	31,000.00	876159	04/30/2012
	ALCAL ARCADE		INSULATION	9,990.00	815286	11/30/2012
TOTAL 04				1,139,894.79		

SUBCONTRACTOR LIST FOR ALTERNATE WORK

BIDDER ID	NAME AND LOCATION	CERTIFIED LBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT	LICENSE NO.	EXPIRES
04	TOMS METAL	✓	STEEL BEAM / METAL DRY RACK	10,860.00	728525	09/30/2012
	R & S GLAZING SPECIALTIES		NANA WALL B1- FLOOD DOOR	19,761.00	846150	12/31/2012
TOTAL 04				30,621.00		

BIDDER ID	NAME AND LOCATION	CERTIFIED LBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT	LICENSE NO.	EXPIRES
05	JCB ***	✓	SITE WORK & ASPHALT	36,745.00	658411**	11/30/2012
	TOM'S METAL SPECIALTIES	✓	STRUCTURAL AND MISC. STEEL	78,840.00	728525**	09/30/2012
	KIRK BUILDERS	✓	METAL STUDS & DRYWALL, LATH & PLASTER	120,000.00	639279	03/31/2012
	GOLDEN STATE CARPET	*	LINOLEUM FLOORING	*	277602**	06/30/2013
	SLATER CUSTOM	*	PAINTING	*	937380**	09/30/2011
	R & S GLAZING		GLASS / GLAZING	*	846150**	12/31/2012
	CORR PIONEER CONSTRUCTOR'S	✓	METAL ROOF PANELS	89,250.00	777064	04/30/2012
	NORTHBAY	*	OVERHEAD COILING DOORS	*	525294**	02/28/2000
	BAL AIRE		HVAC	*	630505**	10/31/2011
	AYOOB MECH	*	PLUMBING	*	392967**	09/30/2012
	CORISH ELECTRIC	✓	ELECTRICAL	196,000.00	833237**	03/31/2012
	GALLIERA INC DBS TRICO CONSTRUCTION	✓	CONCRETE & FORMS, CARPENTRY, DOOR & HARDWARE, CAULKING, SIGNAGE	357,000.00	510127	05/31/2013
	DLD LUMBER	✓	LUMBER & HARDWARE	77,000.00	NA	NONE
TOTAL 05				630,000.00		

* - INDICATION OF HRC CERTIFICATION AND SUBCONTRACTOR AMOUNTS WERE BLANK IN THE SUBMITTED DOCUMENT 00435.
** - NO LICENSE NUMBER SUBMITTED.
*** SUBMITTED NAME OF SUBCONTRACTOR DOES NOT MATCH LICENSE NUMBER.

SUBCONTRACTOR LIST FOR ALTERNATE WORK

BIDDER ID	NAME AND LOCATION	CERTIFIED LBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT	LICENSE NO.	EXPIRES
05						
TOTAL 05				0.00		

BIDDER ID	NAME AND LOCATION	CERTIFIED LBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT	LICENSE NO.	EXPIRES
06	ANCHOR FENCE		FENCING AND GATES	19,879.00	719573	3/31/12
	SHEPARD STEEL		REINFORCING STEEL	15,951.00	698120	10/31/2012
	FITZGIBBON MASONRY		MASONRY	39,000.00	379943	08/31/2011
	TOM'S METAL	✓	STRUCTURAL STEEL ETC.	89,000.00	728525	09/30/2012
	PIONEER CONTRACTORS INC.		METAL ROOFING	89,250.00	777064	04/30/2012
	HARRISON DRYWALL	✓	DRYWALL AND STUCCO	76,164.00	620446	03/31/2013
	CALIFORNIA TILE INSTALLERS		CERAMIC TILE	5,415.00	439220	05/31/2013
	ATLANTIS INTERIORS		ACOUSTIC	22,919.00	618201	04/30/2013
	LINOLEUM LARRYS	✓	FLOORING	21,500.00	532270	06/30/2012
	MLD PAINTING		PAINT	17,000.00	859625	09/30/2012
	GLOBAL SDI		PARTITIONS AND ACCESSORIES	5,171.00	418396	02/29/2012
	AYOOB MECHANICAL		PLUMBING	104,000.00	870362	01/31/2012
	BAL-AIRE MECHANICAL		HVAC	119,500.00	630505	10/31/2011
	CORISH ELECTRICAL	✓	ELECTRICAL	196,000.00	833237	03/31/2012
	INTERSTATE GRADING		ASPHALT PAVING	16,230.00	366020	11/30/2012
	SIGNS OF AMERICA	✓	SIGNAGE	5,403.00	NA	NONE
	COMPASS	✓	SITE STRIPING	3,700.00	*868996	05/31/2012
	ROEBUCK CONSTRUCTION	✓	CONCRETE/CARPENTRY	200,000.00	797773	07/31/2011
TOTAL 06				1,046,082.00		

* NO LICENSE NUMBER SUBMITTED.

SUBCONTRACTOR LIST FOR ALTERNATE WORK

BIDDER ID	NAME AND LOCATION	CERTIFIED LBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT	LICENSE NO.	EXPIRES
06	TOMS METAL	✓	STRUCTURAL STEEL, ETC.	7,700.00	728525	09/30/2012
	PROGRESS GLASS		NANO WALL	19,500.00	261170	02/29/2012
TOTAL 06				27,200.00		

PORT OF SAN FRANCISCO

MEMORANDUM

July 7, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Monique Moyer
Executive Director

SUBJECT: Request authorization to enter into an Exclusive Negotiation Agreement with Forest City Development California, Inc. for the lease and development of the 25 acre Waterfront Site at Pier 70

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

EXECUTIVE SUMMARY

This staff report requests authorization to enter into an Exclusive Negotiation Agreement ("ENA") for a 25 acre-portion of the Pier 70 Master Plan area with Forest City Development California, Inc. ("Developer" or "Forest City"). This area, called the "Waterfront Site", is shown on Exhibit A. The Port has identified a development opportunity at this site that includes 2.5 million square feet of new buildings, a major park, and about 250,000 square feet of existing buildings (the "Project").

During the exclusive negotiating period, Staff intends to work with the Developer to define the proposed development concept and develop a feasible economic structure in order to meet the Port's goals for the Waterfront Site as stated in the Request for Qualifications ("RFQ") for the Waterfront Site and the April 2010 Pier 70 Preferred Master Plan ("Master Plan"). The ENA provides for a five year period to develop plans for the Project, negotiate the required agreements, and secure needed approvals. The ENA includes a negotiation fee payable once the Project is approved and reimbursement of up to $300,000 a year of the Port's costs associated with the Waterfront Site initiative.

THIS PRINT COVERS CALENDAR ITEM NO. 9A

BACKGROUND

In April 2010, the Port published its Preferred Master Plan ("Master Plan") for the 69-acre Pier 70 area after an extensive community planning and technical feasibility analysis effort. Subsequently, on May 11, 2010, the Port Commission authorized the Waterfront Site RFQ to realize the Master Plan vision (Resolution 10-27).

The Waterfront Site is the southeast 25 acres of the site with capacity for up to 2.5 million square feet of new development and over 250,000 square feet of historic buildings. This site's rent and tax revenues will support investment in parks, infrastructure and historic buildings for all of Pier 70. The RFQ called for the Waterfront Site developer to aid the Port in advancing the overall Pier 70 Master Plan vision including the following efforts:

- Further the vision for the entire Pier 70 area (with the Port and stakeholders) and develop site plans with private sector expertise.
- Develop an infrastructure plan for new streets and extensions of existing streets, utilities, and other infrastructure that includes the full 69 acres, and off-site needs.
- Identify the development program for the Waterfront Site.
- In collaboration with the Port, secure entitlements for the entire Pier 70 area that meet the Waterfront Site Project needs and establish the framework for the area as a whole.
- Working with the Port, secure public finance and other approvals from Board of Supervisors using mechanisms authorized by San Francisco voters in 2008.

On April 12, 2011, the Port Commission, through Resolution 11-21, awarded Forest City the Waterfront Site development opportunity and directed Staff to negotiate an ENA for this Project. The RFQ solicitation award is discussed in the April 7, 2011 staff report.

The Waterfront Site is part of the overall Pier 70 Master Plan area. To realize the Master Plan, the Port is taking the lead on Pier 70-wide initiatives including:

- Advancing rehabilitation of the historic buildings lining 20th Street by seeking development partners.
- Continuing to work with the ship repair tenant to sustain and grow their operation and upgrade facilities as needed.
- Nominating Pier 70 to the National Register of Historic Places.
- Working with the State Lands Commission to address public trust issues.
- Development and obtaining approval by the California Regional Water Quality Control Board of a risk management plan, a remedial action plan, or other regulatory documents specific to the conditions at Pier 70 containing standards sufficient to protect human health and the environment from hazardous substances in Pier 70.

- Crane Cove Park and Blue Greenway planning.
- Seeking legislative changes for the overall Pier 70 revitalization.

EXCLUSIVE NEGOTIATIONS PROCESS

The Port Commission, by approving the ENA is not approving the Project, nor committing either party to the Project. Rather, the ENA establishes the parameters for consideration of a Project.

During the ENA period, the following events are anticipated to occur:

- Developer will commence its due diligence review of the site.
- Parties will develop the proposed development Project.
- Parties will negotiate a term sheet for Port Commission and Board of Supervisors endorsement.
- Parties, and other Pier 70 stakeholders, will develop the Pier 70 Finance and Land Use Plan contemplated by Charter section B7.310.
- Developer will complete the Project approval processes and any required environmental review.
- Developer will complete due diligence review of the site, finalize financial projections and complete preliminary site plans, including elevations and renderings for the site.
- Developer will negotiate a lease disposition and development agreement ("LDDA"), lease, and related documents for the lease and development of the Waterfront Site incorporating specific terms, including the Port's and Developer's respective responsibilities, the economic parameters, development standards and requirements, and a performance schedule. The lease is subject to Port Commission and Board of Supervisors approval following environmental review.

The ENA establishes time and performance benchmarks including provisions for extensions and termination for non-performance. The ENA anticipates a two phase process: Phase 1 (2 years) being the period for the Developer to craft a Project proposal based on extensive due diligence and community input and Phase 2 (3 years) being the entitlement period to undertake environmental review and gain concurrence of all appropriate regulatory partners. Exhibit B shows the performance benchmarks and schedules included in the ENA. Review of Exhibit B indicates that the next major step will be consideration of a specific Project proposal, which will happen in 2012.

The ENA is the agreement between the parties governing how the required agreements will be negotiated. It specifies time frames and milestones for Port Commission, Planning Commission and Board of Supervisors review and approval. It also specifies negotiations fees and recovery for Port costs. Entering into negotiations is not an approval of the Project, nor does it commit either party to the Project. As outlined in the RFQ and Forest City's submittal, numerous policy actions must be taken for this Project.

FINANCIAL TERMS OF THE ENA

For the right to pursue the development Project, the Port imposes a negotiating fee of $200,000 per year ($2 million for the five-year term of the ENA). The ENA terms defer payment of the accrued negotiating fee until the approval of the lease for the Project by the Board of Supervisors or termination of the ENA. Although Forest City can receive development rights to 25 acres of the site, the ENA requires them to work with the Port to secure approvals for the full Pier 70 area. Recognizing the value to the Port of entitling the entire site, the ENA provides that 50% of accrued negotiating fee is forgiven when a finance and land use plan for substantially all of the land area included in the April 2010 Pier 70 Preferred Master Plan becomes final. The fee structure reduces front end investment for the Developer allowing it to proceed with site due diligence and addresses the needs of a master planned project. If the Developer elects to entitle the Waterfront Site without securing approvals for the greater Pier 70 area, the full negotiating fee will be paid. Exhibit C summarizes the key economic terms of the proposed ENA.

Subject to a cap of $300,000 per year, the ENA provides for the Developer to fund Port's costs associated with project planning and review. Costs associated with the Port's on-going planning efforts for Pier 70 sitewide (e.g. the historic district nomination) would not be reimbursed by the Developer. Similar to the development of the Master Plan, the sitewide Port efforts will be funded by the Port operating funds and grants as available including federal environmental investigation funds.

RECOMMENDATION

Port staff recommends approval of the ENA for the Waterfront Site at Pier 70 with Forest City Development California, Inc.

Prepared by: Kathleen Diohep, Project Manager

For: Jonathan Stern, Assistant Deputy Director
Waterfront Development
Byron Rhett, Deputy Director
Planning & Development

Exhibit

A. Location Map
B. Performance Benchmarks
C. ENA Terms

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 11-49

WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, The Port owns an approximately 25-acre site, located on San Francisco's Central Waterfront, roughly bounded by 20th and 22nd Streets and Illinois Street, known as the Waterfront Site within the 69-acre Pier 70 area; and

WHEREAS, The Port Commission in Resolution 11-21 awarded to Forest City Development California, Inc. ("Forest City") the Pier 70 Waterfront Site development opportunity and Staff has negotiated an exclusive negotiations agreement ("ENA") with Forest City setting forth the terms for negotiating agreements for the development and lease of the Waterfront Site to achieve the objectives specified in the Pier 70 Waterfront Site Request for Qualifications ("RFQ"); and now therefore be it

RESOLVED, That the Port Commission authorizes the Executive Director or her designee to execute the ENA and any additions, amendments or other modifications thereto that are necessary and advisable to complete the ENA consistent with the terms and conditions set forth in the Staff Memorandum and in a form approved by the City Attorney; and be it further

RESOLVED, That the Port Commission hereby authorizes the Executive Director of the Port, or her designee, to waive or extend the times established in the ENA for performance of specific objectives under the ENA as specified in the ENA, including the right to condition such waiver or extension on additional performance objectives or other conditions required by the Port Commission in its sole discretion; and be it further

RESOLVED, That the Port Commission reserves the right, if negotiations with Forest City are unsuccessful and do not lead to approval of a development agreement, lease and related documents to undertake other efforts, which may include determining no project will be pursued, selecting a tenant by any other means, negotiating with any other respondent to the RFQ, and issuing a new development solicitation at the Port Commission's sole discretion; and be it further

RESOLVED, That entering into the ENA with Forest City begins a process of defining a project for the Waterfront Site, and the development concepts envisioned in the Pier 70 Preferred Master Plan, the RFQ, and the Forest City submittal will evolve through the extensive public review process through changes to the uses, the mix of uses, the intensity of development, or other fundamental terms, all leading to a final project proposal to be submitted to the Port Commission for review and approval; and be it further

RESOLVED, That the ENA does not commit the Port Commission to approval of any specific development concept or project proposal, nor does ENA foreclose the possibility of alternative development concepts, mitigation measures, or deciding not to grant entitlements or approve the lease and development of the Waterfront Site; and be it further

RESOLVED, That entering into exclusive negotiations does not commit the Port Commission to approval of a final lease or related documents and that the Port Commission shall not take any discretionary actions committing it to the project until it has reviewed and considered environmental documentation prepared in compliance with the California Environmental Quality Act ("CEQA").

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 12, 2011.

Secretary

Exhibit A:
Pier 70 Waterfront Site

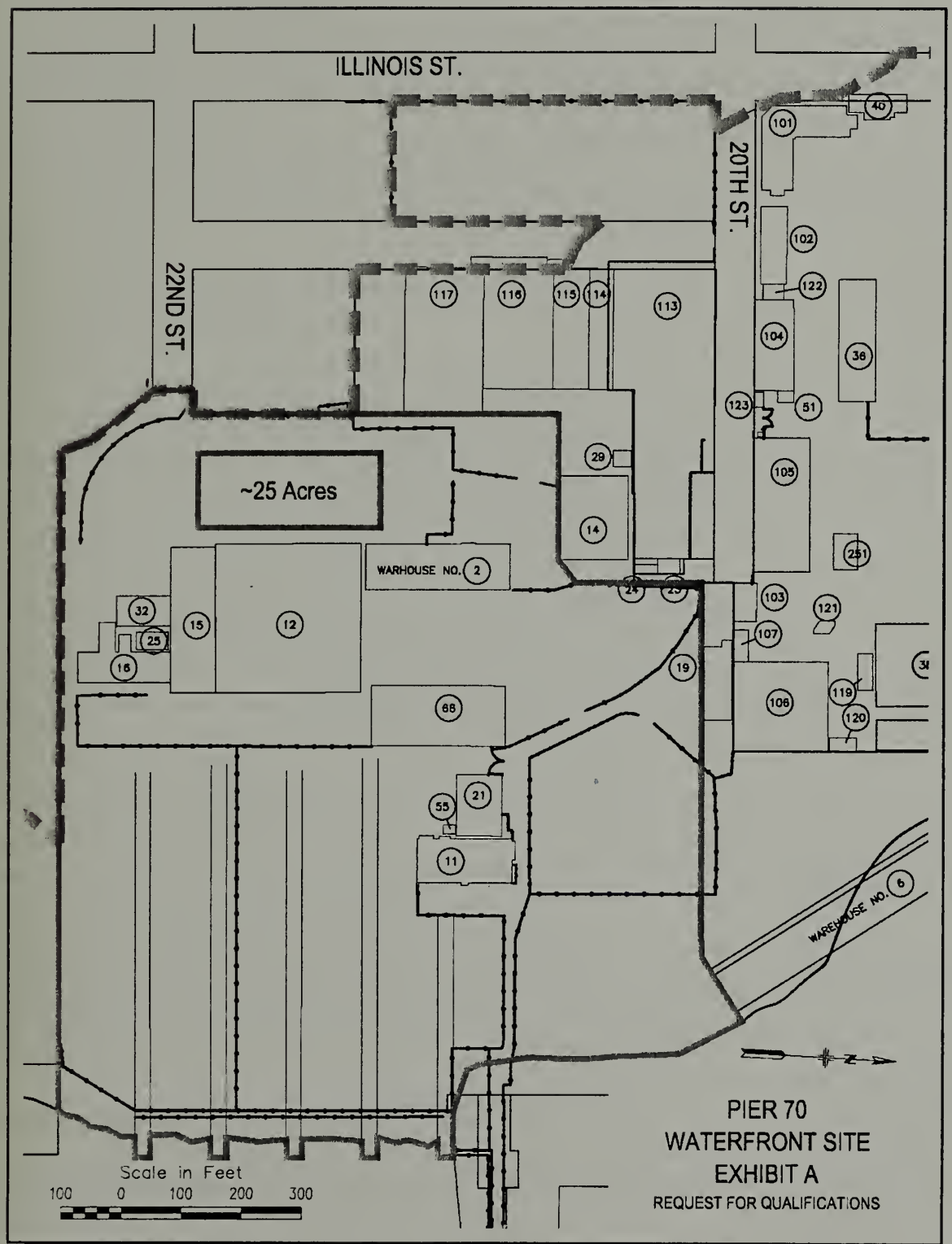


EXHIBIT B

Pier 70 Waterfront Site ENA Performance Benchmarks

Initial Performance Benchmarks (Phase 1, 24 Months)	**Performance Date**
Developer Formation Documents: Developer must submit a copy of its Operating Agreement	**October 1, 2011**
Preliminary Development Analysis: Developer to submit a preliminary development analysis that will identify key issues to inform the development of the Term Sheet and Project description. Scope to include the following: • An overview of proposed development approach • A framework for infrastructure • A public finance analysis • A public relations and community outreach program • A regulatory approval strategy	**February 1, 2012**
Preliminary Proposal: Developer to submit a preliminary proposal, including: (a) a master plan level of detail regarding rezoning through a Prop D Plan, the development program, height and massing, parking and transportation, infrastructure strategy, and phasing (including Phase 2 Performance Benchmarks); (b) an outline of a flexible development approach that will allow Developer to respond to changes in the economic and development environment; and (c) a financial plan, integrated with the outlined development approach	**Dec 1, 2012**
Preliminary Land Use Plan, Trust Swap Proposal, and Term Sheet: Developer to submit preliminary land use plan, trust swap proposal, and Term Sheet	**April 1, 2013**
Port Commission Endorsement: Port Commission to adopt a resolution endorsing the Term Sheet	**June 1, 2013**
Board Endorsements: Board to take the following actions: (a) endorsing the Term Sheet and framework for the Prop D Plan; and (b) making a fiscal feasibility determination (if necessary)	**Expiration of Phase 1**
Final Performance Benchmarks (Phase 2, 36 months)	**Performance Date**
CEQA Environmental Evaluation Application: Developer must submit the environmental evaluation application for the Project	3 months after Board Endorsements
Draft Environmental Impact Report: Publish the draft EIR	15 months after EE Application
Final EIR Certification: Planning Commission to certify the final EIR for the Project	3 months before Expiration of Phase 2
Rezoning/Prop D Plan: Planning Commission to certify required rezoning for the Project as presented in the draft Prop D Plan; and Board to approve Prop D Plan	3 months before Expiration of Phase 2

Other Regulatory Approvals: Developer to obtain State Lands approval of Tidelands Trust Exchange, BCDC approvals, and other necessary regulatory approvals by outside agencies	Expiration of Phase 2
Final Transaction Documents: Developer and Port must reach final agreement on the form of LDDA, Lease and all related transaction documents	4 months before Expiration of Phase 2
Approval of Final Transaction Documents: Port Commission to adopt Public Trust consistency findings and approve final Transaction Documents	3 months before Expiration of Phase 2
Board of Supervisor Approvals: Board to approve Lease if required.	Expiration of Phase 2

EXHIBIT C
Pier 70 Waterfront Site ENA Key Terms

Term	Phase 1: 24 months w/ one 6 month extension Phase 2: 36 months w/ two 6 month extensions
Negotiating Fee	Phase 1: $200,000 annually deferred until lease is approved Phase 2: $200,000 annually deferred until lease is approved 50% of accrued fee is forgiven on the date that a Board resolution adopting a finance and land use for substantially all of the land area included in the April 2010 Pier 70 Preferred Master Plan becomes final
Extension Fee	Phase 1: $50,000 for 6 month extension payable in cash Phase 2: $50,000 for each 6 month extension payable in cash
Cost Reimbursement	Transaction cost cap of $300,000 in the aggregate per year, with any unspent amounts below the cap added to the following year's aggregate cap. If Phase 1 costs exceed Cap, options are: 1. Not to seek reimbursement of excess costs. 2. Developer reimburse the Excess Costs and amount deducted from Negotiating Fees 3. Excess Costs carried over to Phase 2 for reimbursement, as negotiated. Transaction costs include third party costs and staff time and exclude costs associated with Pier 70 wide master planning. Phase 2: To be negotiated in Term Sheet
Performance Benchmarks (Exhibit B)	Developer must be diligently pursuing the benchmarks in order to present Port with requests to extend the benchmark performance deadlines. However, Developer may not extend dates beyond the period defined under "Term" above, including noted extensions.
Regulatory Approvals	Developer is responsible for obtaining all regulatory approvals for 25 acre site, at its cost and infrastructure needs and financing mechanisms for 69 acre site.
Project Materials	Developer to assign to Port all studies, applications, reports, permits, plans, drawings and similar non-proprietary work and materials relating to the project prepared by project consultants for the Developer.
Incurable Defaults	The following events will cause termination of the ENA without an opportunity to cure: • Failure to agree on terms and conditions of the Term Sheet within the time allowed • Failure to obtain Port or Board endorsement resolution within the time allowed • Failure to execute the LDDA within the time allowed • Developer voluntarily withdraws or abandons the project • Developer assigns the ENA without Port consent • Developer initiates ballot measure or is in violation of the campaign contributions law

PORT OF SAN FRANCISCO

MEMORANDUM

July 7, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Monique Moyer
Executive Director

SUBJECT: Request approval to enter into a Second Amended Memorandum of Understanding ("MOU") with the San Francisco Department of Public Works ("DPW") to extend the scope of work from Design Development through Construction Drawings for the Pier 27 James R. Herman Cruise Terminal and Northeast Wharf Plaza Project ("Project"); and

Request approval to increase the MOU funding authorization for DPW in the amount not to exceed $2,111,517, which consists of a base amount of $1,919,561, and a 10% contingency of $191,956; and

Request approval to amend the Architectural and Engineering contract with the joint venture of Kaplan, McLaughlin, Diaz Architects and Pfau Long Architecture in the amount not to exceed $3,039,449 which consists of a base contract amount of $2,763,135, and a 10% contingency of $276,314; and

Request approval to extend the term of the MOU with DPW to March 30, 2012

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

SUMMARY

The Port has contracted with KMD Architects and Pfau Long Architecture in association with cruise terminal design consultant, Bermello, Ajamil & Partners ("Design Team") for architectural and engineering services from project inception through design development work for the Pier 27 James R. Herman Cruise Ship Terminal and Northeast Wharf Plaza Project ("Project").

THIS PRINT COVERS CALENDAR ITEM NO. 9B

The Port also has arranged for the San Francisco Department of Public Works ("DPW") for project management services through a Memorandum of Understanding ("MOU"), as amended, to manage the Project through design development. Among DPW's responsibilities is the management of the Design Team's contract through July 31, 2011.

Port staff proposes to amend the contract with the Design Team to increase funding for the architectural and engineering services in the amount of $3,039,449, which consists of a base contract increase of $2,763,135, and a 10% contingency of $276,314. This increase will finance the cost of Design Team services from design development phase of the Project through completion of construction drawings. If approved by the Port Commission, the total authorized contract amount for the Design Team including all contingencies would be $8,110,903, as detailed in the table below.

Port staff also proposes an increase in fees for DPW in the amount of $2,117,517 for project management and related services through the completion of construction drawings. The total increase consists of a base amount of $1,919,561, and a 10% contingency of $191,956. If approved by the Port Commission, the total authorized funding amount for DPW including all contingencies would be $3,883,664, as detailed in the table below.

Finally, Port staff proposes to extend the term of the MOU to March 30, 2012, currently scheduled as the completion date of Phase 2 construction drawings.

Funding

	DPW	Design Team
Previously Authorized		
Port Commission Resolution No. 09-70 (11/10/09)	$1,772,147	$2,661,384
Port Commission Resolution No. 11-22 (4/12/11)	$0	$2,410,070
Subtotal	$1,772,147	$5,071,454
Current Request	$2,111,517	$3,039,449
Total Proposed Authorization	$3,883,664	$8,110,903

INTRODUCTION

In June 2009, Port Commission Resolution No. 09-33 authorized Port staff to enter into an MOU with the San Francisco DPW for the proposed Project for project management and design and engineering services for the program phases from project development through completion of schematic design. On behalf of the Port, DPW managed the Port's solicitations for environmental consulting and design professional services so that environmental review of the Project could proceed under the California Environmental Quality Act ("CEQA").

In November 2009, Port Commission Resolution No. 09-70 authorized Port staff to execute a design contract with the recommended joint venture team of KMD Architects and Pfau Long Architecture in association with cruise terminal design consultant,

Bermello, Ajamil & Partners ("Design Team") for Architectural and Engineering Services for the Project. The Port, DPW, and the Design Team initiated a design process in January 2010. This began with a series of internal design sessions that led to completion of a Facility Program Statement and later with cruise terminal concept alternatives which evaluated the renovation of the existing Pier 27 maritime shed or construction of a new terminal building.

In August 2010, Port Commission Resolution No. 10-61 authorized award of a contract to Environmental Sciences Associates for CEQA services including the completion of a final environmental impact report ("Final EIR") for the Project.[1]

In December 2010, Port Commission Resolution No. 10-80 authorized Port staff and its Design Team to initiate and develop further the Schematic Design on Scheme B2, the option for a new terminal that would be consistent with the Cruise Terminal Advisory Panel recommendations.[2]

In March 2011, Port staff and the Design Team presented the proposed Project Schematic Design and described the proposed phasing of the Project as follows:

Phase 1

Subject to completion and certification of a Final EIR for the Cruise Terminal Project by the City and approval of the Project by the end of 2011, Phase 1 would initially consist of demolition of Pier 27, partial demolition of Pier 29, and preparation of the Pier 27 site to allow the America's Cup Event Authority, LLC ("Event Authority") under the Host and Venue Agreement ("HVA") for the 34th America's Cup ("Event") to install temporary improvements for the duration of the racing events, ending in early 2014. The Port would construct the core and shell of the cruise terminal building for temporary use by the Event Authority in 2013.

The building would include bathrooms, elevators, partial finishes, lighting, and all systems and features necessary for a Temporary Certificate of Occupancy.

Two offices designated for the U.S. Department of Homeland Security, Customs and Border Protection employees would be left unfinished.

The exterior landscape and transit areas would be limited to providing safe access in and out of the building.

[1] On June 14, 2011, the Port Commission amended this contract expanding the scope of work and increasing the contract amount to include environmental review services and permit coordination with the 34th America's Cup racing event.

[2] As noted in the April 7, 2011 staff report, Port staff subsequently reduced the size of the new terminal in order to align the terminal project cost with available and potential funding sources. The reduction in terminal size was not expected to significantly affect the performance of cruise operations.

Phase 2

After the Event, the Port would build-out the remaining portions of the Customs and Border Protection and security offices within the terminal. The lobby area, which was left open in Phase 1, will be secured in Phase 2 with a glass enclosure. The escalators will be installed. Phase 2 work would also include: installation of maritime equipment (i.e., the mobile gangway system, fenders and bollards), completion of the battery charging station and operations area within Pier 29, and completion of improvements to the Northeast Wharf Plaza and the ground transportation area.

In April 2011, Port Commission Resolution No. 11-22 authorized Port staff to enter into the First Amended MOU with DPW to extend their scope of work through design development, which included procurement of a Construction Manager/General Contractor ("CM/GC"), increase the fees for the Design Team to complete design development drawings, and extend the term of the MOU to July 31, 2011.

During this design development phase, the Port, DPW and the Design Team completed the following items:[3]

Task A – Design Development (April 2011 – July 2011)

- The Design Team completed 50% Design Development drawings for internal review on June 6, 2011 and will have completed 100% Design Development drawings on July 19, 2011 for the terminal building, including floor plans, vertical circulation for terminal use as well as special event use;
- DPW issued a Request for Qualifications/Request for Proposals for a CM/GC and on June 14, 2011, Port Commission Resolution No. 11-45 authorized Port staff to award the CM/GC contract to Turner Construction Company. This contract is anticipated to be executed in early July 2011.[4]
- The Design Team performed Project review to make sure the Project is tracking to City's Leadership in Energy and Environmental Design ("LEED") requirement;
- Port staff, DPW and the Design Team developed further design concepts for the Ground Transportation Area and public areas, including the Northeast Wharf Plaza; and
- On May 18, 2011, DPW achieved agreement with the Civil Service Commission for additional services of the Design Team.[5]

PROJECT SCHEDULE AND TASKS

Port staff proposes that the Design Team complete the architectural and engineering construction drawings for Phase 1 and Phase 2 elements. In addition, DPW, Turner

[3] Tasks A – D were initially identified in the April 7, 2011 staff report.
[4] As noted in the CM/GC contract risk section of the June 9, 2011 staff report, the Port has the ability to terminate the contract should the City fail to certify the Final Environmental Impact Report.
[5] The Civil Services Commission approved a total amount of $9,500,000 for professional services.

Construction Company ("Turner") as the CM/GC[6], and the Design Team are expected to complete Task B, as described below:

Task B – Phase 1 and Phase 2 Construction Drawings (July 2011 – March 2012)[7]

- Complete construction drawings for each Phase;
- Begin to pre-qualify trade contractors and develop early trade bid Package A (steel fabrication, building enclosure, elevators and escalators) and Package B (mechanical, electrical and plumbing and finishes)[8];
- Revise and finalize the Project budget with Turner input; and
- Revise the Project schedule with Turner input.

If the Project is approved following completion of CEQA review and dependent upon subsequent Port Commission authorization, the following two phases would also be undertaken by DPW, Turner and the Design Team:

Task C – Phase 1 Construction Management (January 2012 – February 2013)

- Coordinate site activities with Event Authority;
- Award trade Package B; and
- Manage and complete Phase 1 terminal construction.

Task D – Phase 2 Construction Management (After the Event)

- Bid, award and complete remaining items for an operational Cruise Terminal, complete Ground Transportation Area and the public areas including the Northeast Wharf Plaza.

The Port retains the right to terminate the MOU and the Design Contract in its sole discretion if the Project is not approved after completion of environmental review.

FUNDING PROJECT MANAGEMENT AND ARCHITECTURAL AND ENGINEERING SERVICES

Design Team Expenses

As shown on Exhibit A, the Port Commission on June 9, 2009 authorized $2,661,384 for program, concept and schematic design and engineering for the Project.[9] On April 12,

[6] On June 14, 2011, the Port Commission authorized Turner as the Project CM/GC.

[7] Phase 1 construction drawings would be completed by January 2012. Although Phase 2 construction is expected to commence after the Event Authority vacates Pier 27 in early 2014, Phase 2 construction drawings are scheduled to be completed by March 2012. If Project is approved, Phase 1 construction is scheduled to be completed by early 2013 and Phase 2 construction completion is currently scheduled for late 2014.

[8] Port staff will further provide information regarding the development and schedule of these early bid trade packages at a September 2011 Port Commission meeting, with a subsequent recommendation regarding an early award of Package A.

[9] On November 10, 2009, the Port Commission authorized the Design Team contract for architectural and engineering services through Project schematics.

2011, the Port Commission authorized an additional $2,410,070 for Project design development drawings. The total authorization to date for the Design Team is $5,071,454.

As of June 1, 2011, approximately $5,021,600 of the Design Team authorization has been spent through design development. This leaves a balance of $49,854.

To complete the architectural and engineering of Phase 1 and Phase 2 construction drawings, the Design Team estimates $2,812,989. This amount, less the unused balance of $49,854 is $2,763,135. Port staff requests an additional authorization of $2,763,135, with a 10% contingency of $276,314 (equaling $3,039,449), for a total contract authorization of $8,110,903.

DPW Project Management Expenses

As shown on Exhibit A, the Port Commission on June 9, 2009 also authorized $1,772,147 for DPW project management services through design development.

Similarly, $1,132,584 will have been spent by DPW for project management service through design development. This leaves $639,563 in available funds under the original authorization.

To manage the Design Team and Turner work activity under Task B, Port staff requests a further authorization of $1,919,561 with a 10% contingency of $191,956 (equaling $2,111,517), for a total MOU authorization of $3,883,664 for DPW.

Total Proposed Authorization

If approved, the Port Commission would authorize a total of $3,883,664 for DPW project management services. This includes DPW project management, architecture and landscape architecture and related expenses through the completion of construction drawings.

Similarly, if approved, the Port Commission would authorize a total of $8,110,393 for the Design Team through completion of design drawings. The Design Work team includes architecture, structural engineering, mechanical/plumbing/fire protection engineering, electrical engineering, code and life safety consulting, the cruise terminal design specialist, as well as other work related to marine engineering, LEED compliance, security, cost estimation, civil engineering, acoustical engineering, audio visual, traffic engineering, lighting design, etc.

There may be additional expenses, under a separate authorization, during the construction administration phase. Any such additional expenses would first require additional approval of the Port Commission.

LBE Participation

The Human Rights Commission ("HRC") set a Local Business Enterprise ("LBE") participation goal of 15% which was initially established for the architectural and engineering contract for this Project. The Design Team contract is achieving an overall participation goal of 44%.

The Project LBE firms[10] include the following:

- MBE/WBE:
 Telemon Engineering (civil engineering)

- MBE:
 SOHA (structural engineering)
 SJ Engineers (mechanical/plumbing/fire protection engineering)
 FW Associates (electrical engineering)
 CHS Consulting (traffic engineering)

- WBE:
 Kate Keating and Associates (graphic design/signage)
 Simons & Associates (LEED)

- OBE:
 Pfau Long Architecture (architecture)
 Rollo and Ridley (geotechnical)
 Architectural Lighting Design (lighting design)
 TBD Consulting (cost estimation)

Funding Sources

The proposed Design Team architectural and engineering services and DPW project management services amounting to a total of $5,150,966 under the Second Amended MOU would be funded by a combination of the Port's 2010 Revenue Bond proceeds, the FY 2011-12 Port Capital Budget, and the Port's share of proceeds from the sale of the Watermark condominiums. The condominium sales proceeds are currently on reserve which was placed by the Board of Supervisors' Budget and Finance Committee (Committee) pending a detailed budget itemizing the expenditure of these funds. Port staff will request release of these funds, and staff anticipates that the Port's request will most likely be heard by the Committee in September, 2011.

CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA")

The Port and DPW have initiated environmental review of the Project by the City Planning Department under the CEQA. Staff hopes to complete the CEQA analyses, including the completion of a Final EIR, and to seek certification of the Final EIR and approval of the Project by the end of 2011.

[10] MBE=Minority Business Enterprise, WBE=Women Business Enterprise, OBE=Other Business Enterprise

Approval of the Second Amended MOU does not commit the Port Commission to approve the Project or grant any entitlements for the Project, nor does the proposed action foreclose the possibility of considering alternatives to the proposal, mitigation measures, or deciding not to grant entitlement or implement the Project, after conducting appropriate environmental review under CEQA. Further, this proposed amended MOU would not affect the existing provisions entitling the Port to terminate the MOU if the City does not certify the Final EIR, or the Port Commission decides not to approve the Project. Further, the Project schedule provides that construction activities will begin only after the environmental review is complete, the Final EIR has been certified and the Project has been approved.

NEXT STEPS

The Design Team is scheduled to deliver 100% design development drawings on July 19, 2011. The Design Team, with input from DPW and Turner, will revise the Project budget and schedule by mid-August 2011.

At a September 2011 meeting of the Port Commission, staff will present this revised total Project budget for both Phase 1 and Phase 2 and review the funding strategies by phase. Also at this meeting, Port staff will provide information regarding the development and the bidding schedule of the early trade Package A (i.e., steel fabrication, building enclosure, elevators and escalators) and Package B (i.e., mechanical, electrical and plumbing, and finishes).

Pursuant to the 34th America's Cup HVA, the City shall relocate and/or store the shoreside power installation for Pier 27 as required to accommodate the America's Cup Event Authority's use of Pier 27 for the Event, if approved under CEQA. Cost estimates for engineering and construction of the relocation of the system are in progress. After review, Port staff will amend the scopes of work for project management and engineering in the DPW MOU and the respective Design Team and Construction Manager/General Contractor agreements.

RECOMMENDATION

Port staff proposes a Second Amended MOU with DPW to carry Task B project management services through completion of Phase 1 and Phase 2 construction drawings. The Second Amended MOU would increase the amount of funding to DPW in the amount of $1,919,561, with a 10% contingency fund of $191,956 for project management services, for a total amendment value of $2,111,517 and a total MOU value of $3,883,664.

Port staff also requests approval to amend the Architectural and Engineering contract with the joint venture of Kaplan, McLaughlin, Diaz Architects and Pfau Long Architecture to increase fees in the amount not to exceed $2,763,135, with a 10% contingency fund of $276,314, for a total amendment value of $3,039,449 and a total contract value of $8,110,903.

The combined cost of $5,150,966 needed to complete Phase 1 and Phase 2 construction drawings would be funded by a combination of proceeds from the Port's 2010 Revenue Bonds, the FY 2011-12 Port Capital Budget, and the Port's share of proceeds from the sale of the Watermark condominiums. In addition, Port staff requests approval to extend the term of the DPW MOU to March 30, 2012.

Prepared by: John Doll, Project Manager
Planning & Development

Kim von Blohn, Project Director
Engineering

For: Byron Rhett, Deputy Director
Planning & Development

Ed Byrne, Chief Harbor Engineer
Engineering

Peter Dailey, Deputy Director
Maritime

Attachment: Exhibit A

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 11-50

WHEREAS, On June 9, 2009, the San Francisco Port Commission authorized Port staff to enter into a Memorandum of Understanding ("MOU") with the San Francisco Department of Public Works ("DPW") for the proposed Pier 27 James R. Herman Cruise Ship Terminal and Northeast Wharf Plaza Project ("Project" or "Cruise Terminal Project") in the amount of $1,772,147 for project management and $2,661,384 for architectural and engineering services for the program phases from Project development through completion of schematic design; and

WHEREAS, On November 10, 2009, the San Francisco Port Commission authorized award of a contract to the joint venture team of KMD Architects and Pfau Long Architecture ("Design Team") for architectural and engineering services through schematic design for the Project; and

WHEREAS, On December 14, 2010, the San Francisco Port Commission authorized Port staff by Resolution 10-80 to initiate schematic design on Scheme B2, an option that would create a new terminal building at Pier 27 that meets international cruise terminal standards; and

WHEREAS, On December 14, 2010, the San Francisco Board of Supervisors authorized a proposed Host and Venue Agreement ("HVA") to serve as the City's bid to host the 34th America's Cup-related events ("AC34") in San Francisco in 2012 and 2013, subject to completion of environmental review of the impacts of AC34 and approval of the AC34 project, which the Golden Gate Yacht Club accepted on December 31, 2010, and authorized its designee, the America's Cup Event Authority, LLC ("Event Authority") to execute; and

WHEREAS, Under the HVA, the Event Authority will perform or contribute to the cost of demolition of the Pier 27 shed and the non-historic portion of Pier 29 and the relocation of shoreside power equipment; the core and shell of a cruise terminal building would be built at Pier 27 for use as a temporary event space for AC34 use until early 2014, then the new building would be completed for use as the Port's primary cruise ship terminal; and

WHEREAS, The City Planning Department's environmental review of the Project under the California Environmental Quality Act ("CEQA") takes into account the proposed use of Pier 27 for AC34 and any revisions to the Project as a result of such use; and

WHEREAS, On March 22, 2011, Port staff and the Design Team presented the Project schematic design to the San Francisco Port Commission; and

WHEREAS, On April 12, 2011, the San Francisco Port Commission authorized Port staff by Resolution No. 11-22 to increase fees for the Design Team for design development services for a total authorization of $2,410,070 and to extend the term of DPW and Design Team services under the First Amended MOU to July 31, 2011, subject to the Port's right in its sole discretion to terminate the MOU if the Project is not approved after completion of environmental review; and

WHEREAS, DPW and the Design Team have completed satisfactorily project management and design and engineering services within the budget authorized under the First Amended MOU for design development; and

WHEREAS, On behalf of the Port, DPW staff negotiated with the Design Team an expanded scope of services and price for design and engineering services for construction drawings; and

WHEREAS, The scope of work for a second amended MOU with DPW, as recommended by Port staff, consists of design and engineering services and project management services through completion of construction drawings, and if the Project is approved following completion of environmental review; and

WHEREAS, The combined cost of $5,150,966 needed to complete Phase 1 and Phase 2 construction drawings would be funded by a combination of proceeds from the Port's 2010 Revenue Bonds, the FY 2011-12 Port Capital Budget, and the Port's share of proceeds from the sale of the Watermark condominiums; and, now therefore be it

RESOLVED, That the Port Commission hereby authorizes Port staff to amend the contract with the joint venture team of Kaplan, McLaughlin, Diaz Architects and Pfau Long Architecture for Architectural and Engineering Services as described in the staff memorandum accompanying this resolution by increasing the MOU amount of $2,763,135, and a ten percent contingency of $276,314 for future change orders or contract modifications for a total contract amendment of not-to-exceed $3,039,449, and a total contract amount of $8,110,903; and be it further

RESOLVED, That the Port Commission hereby authorizes Port staff to enter into a Second Amended Memorandum of Understanding (MOU) for Construction Drawings with the San Francisco Department of Public Works (DPW) to increase project management fees for DPW in the amount of $1,919,561, with a ten percent contingency fund of $191,956 or MOU modifications for a total MOU second amendment authorization of not-to-exceed $2,111,517, and a total MOU amount of $3,883,664; and be it further

RESOVED, That the Port Commission extend the term of the MOU to March 30, 2012, all on condition that the Port's existing right under the MOU to terminate the contract in its sole discretion should the City fail to certify the final environmental impact report for the Project ("Final EIR"), or the Port Commission rejects the Project; and be it further

RESOLVED, That approval of the Amended MOU for the Project, and an amended contract with the Design Team and other direction to Port staff in this Resolution do not commit the Port Commission to approval of the Project or grant any entitlements for the Project nor does this action foreclose the possibility of considering alternatives to the Project proposal, mitigation measures, or deciding not to grant entitlement or approve or implement the Project, after conducting appropriate environmental review under CEQA; and be it further

RESOLVED, That the Port Commission will not take any discretionary actions committing the Port to implement the Project until the Port Commission has reviewed and considered environmental documentation prepared in compliance with CEQA for the Project and finally approved the Project.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of July 12, 2011.

Secretary

EXHIBIT A
Authorized MOU and Contract Costs and Proposed Additional Fees

	DPW	DESIGN TEAM	TOTAL
Program, Concept & Schematic Design (Port Resolution No. 09-33, 6/10/09)	$ 1,772,147	$ 2,661,384	$ 4,433,531
Design Development (Port Resolution No. 11-22, 4/12/11)		$ 2,410,070	$ 2,410,070
Total Authorization	$ 1,772,147	$ 5,071,454	$ 6,843,601
Estimated Expenses through Design Development	$ 1,132,584	$ 5,021,600	$ 6,154,184
Estimated Balance	$ 639,563	$ 49,854	$ 689,417
Estimated Costs to Complete Construction Drawings Phase	$ 2,559,124	$ 2,812,989	$ 5,372,113
Proposed Fees (Estimated Costs less Balance)	$ 1,919,561	$ 2,763,135	$ 4,682,696
10% Contingency	$ 191,956	$ 276,314	$ 468,270
Total Proposed Fees (w/10% Cont.) through Construction Drawings	$ 2,111,517	$ 3,039,449	$ 5,150,966
Total Proposed Authorization (Total MOU/Contract Costs)	**$ 3,883,664**	**$ 8,110,903**	**$ 11,994,567**

PORT OF SAN FRANCISCO

MEMORANDUM

July 7, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Monique Moyer
Executive Director

SUBJECT: Informational presentation on the Blue Greenway Planning and Design Guidelines, a project to improve and expand the public open space network along the City's central and southern waterfront, from China Basin Channel to the San Francisco County Line

DIRECTOR'S RECOMMENDATION: Information Only - No Action Required

Overview

The Blue Greenway is a City of San Francisco project to improve and expand the public open space network along the City's central and southern waterfront, from China Basin Channel to the San Francisco County Line *(see Exhibit A, Blue Greenway Map)*. Its focus is to define how new parks and public spaces can be created to complement and connect with existing open spaces in the industrial and mixed use area. Collectively, the Blue Greenway is intended to define how San Francisco will carry out improvements to meet waterfront open space and recreational objectives set forth in the Association of Bay Area Governments (ABAG) San Francisco Bay Trail Plan and Bay Area Water Trail for southeast San Francisco.

The 2008 Proposition A Clean and Safe Parks General Obligation Bond provided the Port with funding to conduct a community planning process for the Blue Greenway and to construct certain projects. The Port Commission has routinely been given updates on both the Planning and Design Guidelines community planning process and the individual projects as summarized in *Exhibit B, Blue Greenway Presentations to Port Commission.*

This Print Covers Calendar Item No. 9C

This staff report provides an overview of the revised draft of the Blue Greenway Planning and Design Guidelines, the steps required to finalize the Planning and Design Guidelines and next steps to move additional Blue Greenway projects into implementation. The Blue Greenway Planning and Design Guidelines were developed through a City Interagency effort led by the Port and vetted through a series of community workshops and public review.

Blue Greenway Planning

The Blue Greenway planning process has been underway for the past three years. In southeast San Francisco, waterfront lands are managed by several agencies: The Port of San Francisco (Port), San Francisco Redevelopment Agency (SFRA), San Francisco Recreation and Parks Department (R&P), and the California State Parks Department. These agencies have worked cooperatively with the San Francisco Planning Department, Department of Public Works (DPW), Municipal Transportation Agency (MTA), and Mayor's Office to define locations for Blue Greenway parks and improvements, and to integrate these concepts in several different economic and land planning efforts underway in southeast San Francisco.

Because funding and implementation schedules of these efforts will not happen all at once, the key focus of the Blue Greenway planning process is to:

1. Identify the locations and uses of existing and new waterfront open spaces, and water access sites;
2. Define the key streets that provide access to and between these park and open space resources, along the north-south spine of the Blue Greenway as well as between inland neighborhoods and the waterfront;
3. Design and develop a signage system that establishes a clear identity for the Blue Greenway, and helps the public to navigate along the system;
4. Develop design guidelines that set standards for the type and style of furnishings and site signage, so that each provides common information and orientation while still allowing them to highlight their unique attributes and design opportunities; and
5. Identify Port project costs and prioritize projects for immediate implementation based upon available funding and identify potential resources for future projects.

On May 25, 2011 and June 16, 2011, the Port hosted community workshops to review the revised draft of the Blue Greenway Planning and Design Guidelines (see: http://www.sfport.com/Modules/ShowDocument.aspx?documentid=1561). These meetings each focused on specific sections of the draft Planning and Design Guidelines; the May 25, 2011 meeting focused on the revised park concepts, cost estimates and project prioritization; and the June 16, 2011 meeting focused on the streets, signage, site furnishings, project cost and project prioritization. The revised draft was based upon comments received on the original draft and new concepts developed. The meetings were well attended, in general, the public was supportive of the concepts presented and the draft prioritization and recommended that staff work towards finalizing the Planning and Design Guidelines and begin implementation of projects. Utilizing existing Port and SFRA Citizen Advisory Groups and other neighborhood

organizations, the Port will review the draft Planning and Design Guidelines and take public comment until July 29, 2011.

Blue Greenway Planning and Design Guidelines
The Blue Greenway Planning and Design Guidelines include seven sections; the following briefly reviews the content of each of those sections:

- *Section 1: Introduction*: describes the Blue Greenway, summarizes the planning process to date and describes the various components of the Blue Greenway
- *Section 2: Port Open Space Use and Program Concepts:* presents design concepts for Port Blue Greenway Open Spaces and preliminary cost estimates based upon the concepts. This section was previously presented in the fall of 2010 and was revised based upon public comment.
- *Section 3: Linking and Connector Streets*: presents concepts for improving the roadways that link the individual open spaces along or connect the neighborhoods to the Blue Greenway. The Linking streets include Terry Francois Boulevard, Illinois Street, Cargo Way, Jennings Street, Hunters Point Boulevard and Innes Avenue. Improvements include improved bicycle and pedestrian amenities. The connector streets are streets that should be prioritized by the City for improvements and planning should be coordinated through the San Francisco Planning Department, the Department of Public Works and Municipal Transportation Agency.
- *Section 4*: *Signage, Interpretation & Public Art:* presents concepts for signage that help provide way-finding and identity to the Blue Greenway. Because the Blue Greenway does not follow one continuous waterfront path, like the northern waterfront, signage and way-finding are particularly important to establish an identity and help users find their way along the system. In addition, because of the rich cultural and natural history of this section of the waterfront, significant opportunity exists for interpretation along the system. Lastly the use of public art is an additional element that can help build recognition of the Blue Greenway and provide visual interest.
- *Section 5: Site Furnishings:* presents specific site furnishings for the streetscapes and common furnishings within the open spaces, these include bicycle racks, drinking fountains, exercise equipment, waste receptacles and landscape blocks. Other furnishings for individual parks would be selected utilizing established criteria but would be up to the individual designers. This section was previously presented in the fall of 2010 and was revised based upon public comment.
- *Section 6: Project Cost and Implementation:* presents cost estimates for all of the Port individual open space concepts, signage, street furnishings and public art. In addition it presents a draft project prioritization based upon established criteria and available funding.
- *Section 7: Next Steps:* presents the steps required to finalize the Blue Greenway Planning & Design Guidelines and a recommended schedule for specific project implementation should the Port Commission and Community agree with the project prioritization.

Blue Greenway Planning and Design Guidelines Next Steps
Comments on the Draft Blue Greenway Planning and Design Guidelines will be taken until July 29, 2011. Based upon the level of comments received, the Port intends to finalize the Planning and Design Guidelines in the fall and begin to implement the projects identified for prioritization. Depending on the scope of the project identified for prioritization, projects may go directly into detail design or will go through further design development and commission, community and required design review.

Prepared by: David Beaupre
Senior Waterfront Planner

Attachments: Exhibit A: Blue Greenway Map
Exhibit B: List of Blue Greenway Presentations to Port Commission

Exhibit A. Blue Greenway Map

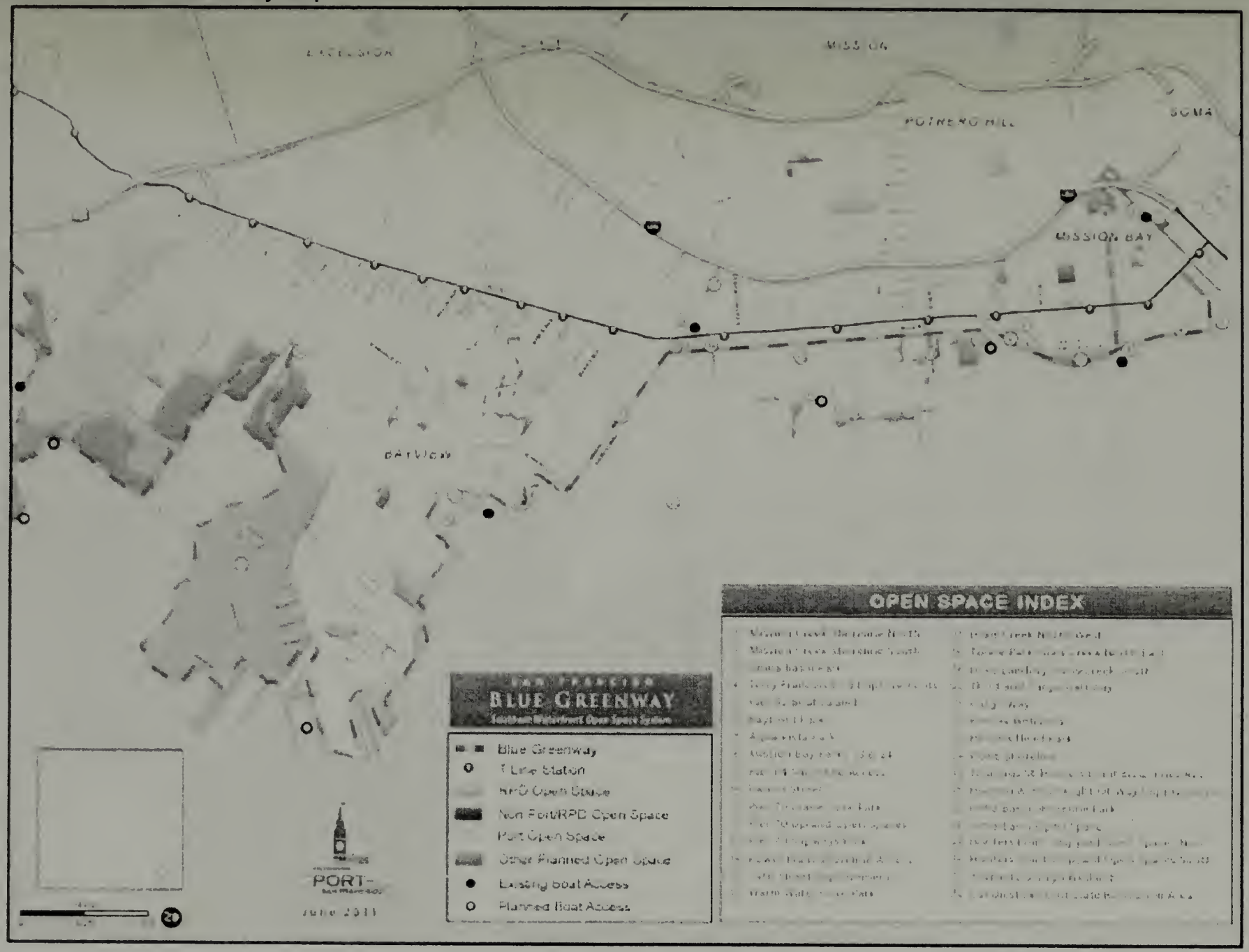


Exhibit B
List of Blue Greenway Presentations to Port Commission
(Between November, 2008 – July 2011)

2008 Proposition A General Obligation Bond Status Report
January 11, 2011
http://www.sfport.com/Modules/ShowDocument.aspx?documentid=492

February 9, 2010
http://www.sfport.com/ftp/uploadedfiles/meetings/supporting/2010/Item%207A%20GO%20Bond%20Update.pdf

September 8, 2009
http://www.sfport.com/ftp/uploadedfiles/meetings/supporting/2009/Item%2012A%20Gen%20Ob%20Bond.pdf

Blue Greenway Planning & Design Guidelines
July 12, 2011

August 19, 2010
http://www.sfport.com/Modules/ShowDocument.aspx?documentid=46

February 10, 2009
http://www.sfport.com/ftp/uploadedfiles/meetings/supporting/2009/Item%209a%20Biue%20Greenway.pdf

Heron's Head Park Entrance Improvement Project
May 5, 2011
http://www.sf-port.org/modules/ShowDocument.aspx?documentid=1391

May 10, 2010
http://www.sfport.com/ftp/uploadedfiles/meetings/supporting/2010/Item%2010A%20Heron%27s%20Head%20Park%20Concept%20Design%20Approval.pdf

Cargo Way Bicycle Lane Improvements
July 12, 2011

September 14, 2011
http://www.sfport.com/Modules/ShowDocument.aspx?documentid=70

Crane Cove Park Project
June 9, 2011
http://www.sf-port.org/Modules/ShowDocument.aspx?documentid=1783

December 14, 2010
http://www.sfport.com/Modules/ShowDocument.aspx?documentid=340

Bayfront Park Shoreline

June 9, 2011
http://www.sf-port.org/Modules/ShowDocument.aspx?documentid=1787

April 21, 2011
http://sfport.com/Modules/ShowDocument.aspx?documentid=1326

March 9, 2010
http://38.106.4.220/ftp/uploadedfiles/meetings/supporting/2010/Item%2012A%20Concept%20Design%20Approval%20Mission%20Bay%20Shoreline%20Protection.pdf

April 28, 2009
http://www.sfport.com/ftp/uploadedfiles/meetings/supporting/2009/Item%2010A%20Mission%20Bay%20Shoreline%20Proj%20Auth%20for%20Award%20Engin%20Design.pdf

January 7, 2009
http://38.106.4.220/ftp/uploadedfiles/meetings/supporting/2009/Item%2012a%20RFP%20Mission%20Bay%20Shoreline%20Protection.pdf

PORT OF SAN FRANCISCO

MEMORANDUM

July 7, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Monique Moyer
Executive Director

SUBJECT: Informational presentation on the San Francisco Local Hiring Policy for Construction

DIRECTOR'S RECOMMENDATION: Informational Only; No Action Required

INTRODUCTION

The purpose of this report is to provide the Port Commission with background on the San Francisco Local Hiring Policy for Construction Ordinance ("Local Hiring Ordinance") for a staff presentation from the Office of Economic and Workforce Development ("OEWD") at the July 12, 2011 meeting. This Local Hiring Ordinance represents a significant new policy for the City.

On October 18, 2010, Supervisor John Avalos sponsored legislation amending Chapter 6.22(G) of the San Francisco Administrative Code to require contractors performing City public work or improvement construction projects to meet mandatory levels of San Francisco resident participation. The law took effect December 24, 2010, and is referred to as the "Local Hiring Ordinance."

The effective date of the Local Hiring Ordinance was March 25, 2011, meaning that public work and improvement contracts in excess of $400,000 first advertised for bids on or after March 25, 2011 are covered. For the initial year of the program, the mandatory participation level is 20% of all project hours within each trade to be performed by local residents, with no less than 10% of all project work hours within each trade to be performed by disadvantaged workers.

THIS PRINT COVERS CALENDAR ITEM NO. 10A

In addition, all covered projects must have at least 50% of the apprentice hours within each trade performed by local residents, with no less than 25% of apprentice hours by trade performed by disadvantaged workers.

The City's OEWD is authorized to enforce all terms of the Policy. OEWD, in coordination with the Controller's Office, will every three years from the effective date of the Policy evaluate the impact of existing mandatory participation levels and the continued need for financial incentives. The OEWD/Controller review will (i) determine whether there is a sufficient supply of qualified unemployed resident workers to meet the escalation rate set forth in the table below, (ii) assess the length of time required for each trade to develop a pool of qualified resident workers sufficient to support 50% mandatory participation target, and (iii) make relevant findings in support of those determinations, and if necessary, propose amendments to the mandatory participation level by trade.

Subject to the periodic review process, the mandatory participation level will increase annually over seven years up to a mandatory participation level of 50% of project work hours within each trade performed by local residents, with no less than 25% of all project hours within each trade performed by disadvantaged workers. The table below indicates the escalating participation level for each year:

Year After Effective Date That Contract Is Advertised for Bids	*Mandatory Participation Level For Project Work Hours*
0-1	20%
1-2	25%
2-3	30%
Periodic Review	*Periodic Review*
3-4	35%
4-5	40%
5-6	45%
Periodic Review	*Periodic Review*
6-7	50%

This report includes the following attachments provided by OEWD for more information:

Exhibit 1: *Mandatory Local Hiring Ordinance Fact Sheet*
Exhibit 2: *Q&A Related to the San Francisco Local Hiring Policy for Construction*
Exhibit 3: *San Francisco Local Hiring for Construction Implementation Plan*

Impacts of the Policy:

The exhibits show that the City has put a good deal of effort into providing clear guidance to contractors and in the development of an Implementation Plan. While OEWD is responsible for the overall management of the Policy, Port staff has provided support in the development of bid specifications for construction documents. The impact of the Policy to the City, and to the Port, will be measured through

periodic review. In the near term, Port staff anticipates enhancing local opportunities through its upcoming public work and improvement projects. Port staff has received authorization from the Port Commission to advertise five public work and improvement projects that will be subject to the requirements of the Policy. As of the writing of this report, the projects have not moved into the construction phase, and therefore, the impact of the Policy has not been observed yet. Notably, the Port anticipates that it will award approximately $35 million in public work and improvement contracts in the next six (6) months that will include the Local Hiring Policy.

Port staff worked closely with OEWD in crafting the Policy and its implementation for Port projects. Port staff advised OEWD that maritime projects could be adversely affected by the Policy due to potential shortages of the local resident workforce in certain trades, such as pile driving. Other departments similarly advised OEWD that certain trades may not be able to comply with the Policy because of a shortage of local residents.

As a result, OEWD added a paragraph in the Policy known as "Pipeline and Retention Compliance." This paragraph provides a contractor with the option of applying for a conditional waiver to maintain compliance with the obligations of the Policy. First, through the "Specialized Trades" exemption, the Port has included specialized trades such as pile driver, any marine diving, or marine-related pile-driving work in the list of specialized trades that is maintained and published by OEWD. The hours performed within these trades will be exempted from the mandatory hiring levels. Second, a contractor may accumulate credit hours for hiring San Francisco disadvantaged workers on non-covered projects in the nine-county San Francisco Bay Area, and applying those credit hours to contracts for covered projects, towards meeting the applicable minimum mandatory hiring requirements. Third, if a contractor anticipates they will fall short of meeting the mandatory hiring level in a particular trade, they may agree to sponsor an OEWD-specified number of new apprentices in that trade, and retain those apprentices for the entire period of their work on the project. This third option will help create a pipeline of local residents that can increase the workforce supply in the maritime trades, so that overtime contractors can meet the goals of the Policy. This option also allows public work and construction projects relying on trades characterized by scarcity of a local resident workforce to proceed in the near term while developing that local workforce over time.

The Port has considerable opportunity to enhance local hiring and local business opportunities through its own workforce development programs, its professional services and construction contracting, and its lessees and development partners. Much of the Port's efforts are well established in our Local Business Enterprise program and workforce development programs, as well as other efforts under development with regards to our lessees and development partners. The Local Hiring Policy provides another method for the Port to enhance the job creation that results from our public work and improvement projects.

RECOMMENDATION

The above report is submitted to provide the Port Commission with background on the Local Hiring Ordinance for a staff presentation from OEWD. Port staff requests the Port Commission's acceptance of this report.

Prepared by: Trisha Prashad
Special Projects Analyst

Timothy Leung
Administrative Engineer

Prepared for: Elaine Forbes, Deputy Director
Finance & Administration

Ed Byrne,
Chief Harbor Engineer

cc: Guillermo Rodriguez, OEWD

Mandatory Local Hiring Ordinance
Fact Sheet

EXHIBIT 1

General

- The effective date of the Local Hiring Ordinance is March 25, 2011. In other words, contracts first advertised for bids on or after March 25, 2011 are covered by the new ordinance.
- The city anticipates that it will award approximately $27 billion in public work and improvement contracts in the next 10 years.
- For the initial year, the mandatory participation level is 20% of all project hours within each trade performed by local residents, with no less than 10% of all project work hours within each trade performed by disadvantaged workers.
- The mandatory participation level will increase annually over seven years up to a mandatory participation level of 50% of project work hours within each trade performed by local residents, with no less than 25% of all project hours within each trade performed by disadvantaged workers. The table below indicates the participation level for each year:

Year	Local Hiring %
1	20%
2	25%
3	30%
4	35%
5	40%
6	45%
7	50%

- At least 50% of the project work hours performed by apprentices within each trade shall be performed by local residents, with no less than 25% of project work hours performed by apprentices within each trade to be performed by disadvantaged workers.

Department Agencies

- The local hiring ordinance applies to contracts for public work or improvement projects in excess of $400,000.
- Local hiring ordinance applies to contracts utilizing federal or state funds. However, the administration will segregate federal/state funds or provide contract provisions if the policy would violate federal or state law.
- Work hours performed by out of state workers shall not be included in the calculation of the number of project work hours to which the local hiring policy applies.
- City funded projects within 70 miles from the City and County of San Francisco shall be governed by the new Local Hiring Ordinance. The local hire requirements shall apply in proportion to actual San Francisco costs and will not include non-City funding sources.

- City funded projects constructed 70 miles or beyond the City and County of San Franeisco shall be governed by the new Loeal Hiring Ordinance. However the local hire requirement will include San Francisco residents, workers loeal to the area, and workers residing within the region.

- Policy shall not apply to existing Project Labor Agreements effective prior to the date of the policy or to projects advertised for bid after the effective date of policy that are covered with existing PLA's.

- Authorize financial and non-financial incentives for contractors and subeontractors who exceed local hiring requirements, including financial incentives that eomply with applicable law and do not exceed one percent of the estimated cost of the contract and non-financial ineentives by OEWD regulation.

- Establish various consequences of noncompliance with thc policy, including the authority of assessmcnt of penalties against contractors that do not meet the local hiring requirements.

- Penalty amount equal to the journeyman or apprentiee prevailing wage rate for the primary trade used by the contractor for eaeh hour the eontractor fell short of the local hiring requirement.

- Establish pipeline and retention compliance mechanisms which contractors and subeontraetors may use to receive a conditional waiver from local hiring requirements on a project speeifie basis, ineluding "specialized trades, a proeess of receiving credit for local hiring on non-covered projects, a process for sponsoring apprentices, and a proeess for direct entry agreements with apprenticeship programs.

Contractors

- Core employee or existing worker is defined as an apprentice or journey level employee who appears on the contractor's certified payroll 60 of the previous 100 ealendar days prior to date of award of city contract.

- Contractor is required to submit a Local Hiring Plan for covered projects in excess of $1 million.

- Subcontractors of all tiers shall agree to comply with the Local Hiring requirements.

- Contractors are required to keep reeords of the requirements related to the Local Hiring ordinance. OEWD shall establish reporting procedures for the contractor.
- Requires a contractor to use the CityBuild referral program if their preferred method of hiring does not enable them to meet the local hiring requirements of the policy.

- The policy does not limit a contractor's ability to assess qualifications of prospeetive workers or to make final hiring and retention decisions.

- A contractor who wishes to contest the assessment of penalties may request a hearing.

Community

- Local resident is defined as an individual who is domiciled within the City of San Francisco 7 days prior to commencing work on the project.

- Disadvantage worker is defined as a local resident who (i) resides in a census tract within the City with a rate of unemployment in excess of 150% of the City unemployment rate; or (ii) at the time of commeneing work has a household income of less than 80% of the AMI, or (iii) faees or has overcome at least one of the following barriers to employment; being homeless; being a custodial single parent; receiving public

assistance; lacking a GED or high school diploma; participation in a vocational English as a second language program; or having a criminal record or other involvement with the criminal justice system.

- OEWD shall be authorized to engage its community based organizations in the City's workforce development system to assist with the recruitment and retention of targeted workers. Through the existing Workforce Investment Board, OEWD shall provide a forum for community members, CBO's, and representatives of all stakeholders affected by or interested in the policy.

OEWD

- Authorize OEWD to enforce the policy and require awarding departments to work cooperatively with OEWD.

- Establish various reporting and monitoring requirements for the policy.

- Periodic review conducted by the OEWD and Controller's Office every 3 years from the effective date of the policy. The review will determine whether there is a sufficient supply of local workers to meet the increase in mandatory participation level, assess the length of time to develop a pool of workers per trade, and if necessary propose amendments to the policy.

- OEWD is authorized to enter into contracts for investigative monitoring services for the purpose of the policy.

- Requires penalties collected for violations of the policy be distributed to a special account, and the funds deposited into that account be used to support enforcement of the policy and workforce development initiatives.

- Require the Director of OEWD to submit an annual written report to the Board documenting the compliance of each awarding department's contractors with the requirements of the policy.

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p: 415.581.2335 f: 415.581.2317

EXHIBIT 2

Q&A Related to the San Francisco Local Hiring Policy for Construction

* Please note that the responses to these questions are intended to provide guidance on the ordinance, but in cases where OEWD has the administrative authority, they may be subject to change.

A. Coverage of Policy

1. Question: What is the effective date of the new local hire ordinance?

Answer: The ordinance will apply to Covered Projects advertised for bids on or after March 25, 2011. For a list of currently-advertised contracts, please refer to the Office of Contract Administration's Bid/Contracts Listing website and the San Francisco Public Utilities Commission website:

http://mission.sfgov.org/OCABidPublication/
http://sfwater.org/msc_main.cfm/MC_ID/15/MSC_ID/374
http://sfwater.org/custom/bid/planlist.cfm/bidtype/1/MC_ID/15/MSC_ID/149
http://sfwater.org/detail.cfm/MC_ID/15/MSC_ID/150/C_ID/4210

2. Question: Are San Francisco Redevelopment Agency (SFRA) projects covered under this ordinance?

Answer: No, the SFRA is a state-funded entity and its projects have their own set of hiring requirements. For information on SFRA's Construction Workforce Policy, please refer to: http://www.sfredevelopment.org/index.aspx?page=126

3. Question: For City projects, will the Policy be implemented proportional to funding? For example, if there are multiple funding sources (state or federal) and local City funding is 50% for the project, does that drop the local hire requirement to 10% instead of 20%?

Answer: The rules of the funding source will determine whether a project will include a local hiring component. Specific requirements will be set forth in the project bid and contract documents.

4. Question: Will the new Policy apply to consulting services, non-construction work performed by LBE's, or security guard services.? Will the Policy apply to local material suppliers, such as ready-mix concrete, or on-site administrative staff?

Answer: No, the Policy does not apply to the services identified in the question. The Policy applies only to construction work performed under a covered public work or improvement contract awarded under Chapter 6 of the San Francisco Administrative Code.

5. **Question**: Are supervisory hours included as Project Work Hours under the Policy? What about foreman who do not work with tools, are their hours included as Project Work Hours?

Answer: If a contractor is required to capture a supervisor's or foreman's hours through certified payroll in reporting construction hours performed, then those hours will be counted toward the local hire requirement. For further clarification, please contact the Office of Labor Standards Enforcement.

6. **Question**: How does the Policy apply to a Covered Project with an awarded contract amount of $500,000, where the prime contractor self-performs $100,000 of work and subcontractors have subcontracts valued at $100,000 each? Would the subcontractors be excluded from the local hiring requirements because each subcontract is less than $400,000, or would both the prime contractor and subcontractors be required to comply because the total project cost exceeds $400,000?

Answer: The project in the example is a Covered Project because the contract amount exceeds the applicable Threshold Amount ($400,000). The contractor will be responsible for ensuring compliance with the local hiring requirement for Project Work Hours within each trade performed by contractor and all subcontractors. Contractor will be responsible for working with its subcontractors to ensure overall compliance with the local hiring requirement.

7. **Question**: If a Covered Project has, for example, 10 subcontractors with subcontracts valued in excess of $400,000, and 30 subcontractors with subcontracts valued at less than $400,000, is the Prime Contractor responsible for overall compliance with the local hiring requirement, or only required to comply with respect to Project Work Hours self-performed by the Prime?

Answer: In this example, the prime contractor will be responsible for overall compliance with the local hiring requirement for Project Work Hours within each trade performed by Prime Contractor and all Subcontractors.

8. **Question**: Can apprenticeship school time be included in project hours?

Answer: No, only the construction trades hours that will be reported on certified payroll can be counted towards project hours.

B. <u>Local Hiring Plan</u>

1. **Question**: At what point will a contractor need to submit the Local Hiring Plan that is referenced in the ordinance? What will the plan need to do in order to be approved by OEWD?

Answer: If a prime contractor is awarded the contract on a Covered Project that is estimated to cost $1 million or more, then the prime must submit a Local Hiring Plan to OEWD and the awarding department within 15 calendar days of notice of award. The prime contractor will be responsible for collecting information for the Local Hiring Plan from subcontractors.

All information will be submitted through the City's online project reporting system (currently the Elation Systems). The Local Hiring Plan will be approved if the form is fully completed, and identifies what resources the contractor and its subcontractors will utilize towards meeting the required San Francisco resident hours.

C. Referral of Trades Workers

1. Question: Does CityBuild provide "placement" services or act as a dispatch agency or hiring hall for construction projects?

Answer: No. CityBuild provides referral services if contractors are seeking assistance.

2. Question: Do contractors have to take referrals from CityBuild?

Answer: No. However, if a contractor is seeking assistance in identifying San Francisco resident trades workers for a covered project, they may utilize CityBuild as a referral resource.

3. Question: How can community members get a name-call from the various unions?

Answer: Name-calls and dispatch procedures are governed by the collective bargaining agreement of that particular contractor and union.

D. Disadvantaged Worker

1. Question: Does a contractor have to verify disadvantaged worker status of their employees?

Answer: No.

2. Question: Are there penalties for not meeting the disadvantaged worker goal?

Answer: While the disadvantaged worker participation is a requirement in the ordinance, it is not subject to financial penalties.

3. Question: What household size is being used for this legislation for the purposes of determining disadvantaged worker status?

Answer: The Area Median Income (AMI) is one of the standards for determining disadvantaged worker status. At the time of commencing work, if a worker's household income is less than 80% of the AMI, the worker will be considered disadvantaged. The AMI is derived from the Department of Housing and Urban Development (HUD) and is adjusted for household size. For information about the AMI for San Francisco, please refer to HUD's website: http://www.huduser.org/portal/datasets/il.html

4. **Question**: Are all of the neighborhoods listed in the description in 6.22(G)(1)(m) currently at an excess of 150% of the City Unemployment rate?

Answer: The neighborhoods listed in the ordinance are examples of distressed neighborhoods in San Francisco, but not all residents of those neighborhoods will be considered a disadvantaged worker. Note that the "rate of unemployment in excess of 150%" criterion applies to census tracts within the City.

5. **Question**: Can an individual with a household income significantly above AMI who resides in a census tract within the City with a rate of unemployment in excess of 150% of the City unemployment rate qualify as a disadvantaged local hire?

Answer: Yes, if the worker lives in a qualifying census tract or meets at least one of the other disadvantaged criteria listed in the ordinance, he or she will be considered a disadvantaged worker.

6. **Question**: There is potential difficulty in identifying neighborhoods by name only. Are area boundaries clearly and publically identified? Are zip codes applicable?

Answer: In order for a worker to be considered disadvantaged, he or she must meet one of the criteria listed in the ordinance. Being a resident of a particular zip code, by itself, does not necessarily mean that the worker is a disadvantaged resident.

7. **Question**: How will OEWD be able to track and monitor the percentage of disadvantaged worker participation, considering the very detailed information involved such as specific location of residency, household income, criminal background, etc.?

Answer: OEWD is working with the City's certified payroll vendor so that employees with addresses within the eligible census tracts in San Francisco are automatically flagged as disadvantaged workers. Also, any worker that is referred by CityBuild will have been certified as a disadvantaged worker through the City's certification process. A contractor will not be required to ask their employees for background information to determine disadvantaged worker status.

E. Local Resident

1. **Question**: How will workers be verified as San Francisco residents?

Answer: In calculating Project Work Hours for the purposes of the local hiring requirements, OEWD will review certified payroll records submitted to the City's approved certified payroll vendor. The Project Work Hours performed by an employee with a San Francisco address on certified payroll records will be counted towards the local hire requirement.

If a contractor chooses to request a referral of a local resident from CityBuild, that worker will have been certified as a local resident with a City ID Card, or two additional forms of identification. A California Driver's License with a San Francisco address, by itself, will no longer be sufficient in order to qualify for CityBuild referral services.

2. **Question**: What proof of local residency will be required?

Answer: To be referred by the CityBuild Program as a local resident, a worker must provide 2 forms of identification that demonstrate domicile in San Francisco. The domicile of a person is that place in which his or her habitation is fixed, wherein the person has the intention of remaining, and to which, whenever he or she is absent, the person has the intention of returning. At a given time, a person may have only one domicile.

Some examples of acceptance identification include, but are not limited to, a utility bill, insurance bill, rental agreement, public benefits letter, receipt of property tax, voter registration card, or a most recent California personal income tax return. The documents submitted must demonstrate establishment of domicile at least 7 days prior to commencing work on the Covered Project in question. OEWD may request additional information and documentation showing indicia of domicile.

3. **Question**: When does a worker need to establish domicile in order to be considered a local resident for purposes of the ordinance? Do they have to be domiciled in San Francisco at least 7 days before ground breaks on the project, regardless of when that individual starts work on the job, or do they need to establish domicile at least 7 days before their individual start date.

Answer: The worker must establish domicile in San Francisco at least 7 days prior to their individual start date in order to be considered a local resident. Please refer to the answer for Question E(2) for a definition of domicile.

4. **Question**: If a person qualifies as a local resident under the Policy at the start of the project, but relocates outside of San Francisco mid-project, will the person still be considered a local resident under the Policy?

Answer: If a worker that has been verified as a local resident at the beginning of the project and moves outside of San Francisco during the course of the project, a contractor may submit a request in writing to OEWD that the worker's hours still be counted as local hours.

F. First Source Hiring Program

1. **Question**: What relationship does "new hire" as defined in the Policy have to the local hiring requirements? What relationship does "core employee" as defined in the Policy have to local hiring requirements?

Answer: For Covered Projects subject to the local hiring requirements of the Policy (Section 6.22(G)), there are no distinctions between "new hire" and "core employee." A contractor must simply meet the local hire requirement.

For San Francisco projects where there are First Source Hiring obligations, but no Section 6.22(G) obligations, a contractor must draw from the CityBuild Referral Program for all new hires, subject to collective bargaining agreement rules as applicable. A new hire would be any worker not appearing on a contractor's active payroll records at least 60 of the previous 100 days at the signing of their contract. Examples of projects where this may apply are private First Source construction projects with no City funding, or MTA projects that are primarily federally funded.

G. Projects Outside the Boundaries of San Francisco

1. **Question**: For projects constructed 70 miles or more beyond the jurisdictional boundary of the City, will the San Francisco local hire percentages required be provided at the time the project is put out to bid?

Answer: Yes. However, the "local" hire percentage for projects constructed 70 miles or more beyond the jurisdictional boundary will be a combination of San Francisco residents, and workers local to the area and the region where the work is located. The awarding department will outline the requirements in the bid and contract documents for the project.

H. Out-of-State Workers

1. **Question**: Assume a Covered Project constructed in San Francisco with 500 Project Work Hours in a given trade. Under the Policy, 100 Project Work Hours (i.e., 20%) must be performed by San Francisco residents, and 50 of those Hours must be performed by disadvantaged workers. If 400 of the Project Work Hours were instead performed by out-of-state workers, would only 20 Project Work Hours have to be performed by local residents, and of those 20 Hours, only 10 Hours be performed by disadvantaged workers? It would seem that this exclusion of out-of-state worker hours results in an advantage for hiring out-of-state workers.

Answer: Yes. The Policy was written to exclude Project Work Hours performed by out-of-state workers.

I. Off-Ramps

1. **Question**: Is there a list of specialized trades currently available?

Answer: A list of specialized trades is available on OEWD's Local Hire website: http://oewd.org/Workforce_Development-SF_Mandatory_Local_Hire.aspx

2. **Question**: What is the process for qualifying as a specialized trade?

Answer: An Awarding Department or bidder, though the bid specifications, may submit a project-specific specialized trade waiver request to OEWD at least 15 days prior to bid advertisement.

3. **Question**: When will we know if OEWD is successful in entering into direct entry agreements?

Answer: If OEWD successfully enters into a direct entry agreement with any apprenticeship program, it will be posted on OEWD's website and offered as a possible off-ramp resource when a contractor submits a conditional waiver request. To date, there are no direct entry agreements in place.

4. **Question**: How many apprentices would a contractor have to sponsor in order to avoid penalties?

Answer: If a contractor anticipates they will fall short of the local hiring requirement in a particular trade, then contractor may request a waiver, before any work is performed, by agreeing to sponsor new apprentices into that trade. The number of apprentices will be determined by OEWD based on the anticipated deficiency in hours. Those apprentices would need to work the duration of the covered project as needed.

5. **Question**: In the ordinance, a contractor may accumulate credit hours for a non-covered project to apply to a covered project, or to work off penalties. One of the conditions if the non-covered project is located in San Francisco is that "the number of hours to be credited for the non-covered project in question exceed one-half of the number of disadvantaged worker hours that would be required if the project were a covered project." Can you clarify how that would work?

Answer: For non-covered projects located in San Francisco, for hours to be credited, targeted workers must perform in excess of 1/2 of the number of disadvantaged worker hours that would have made up the requirement or goal had the project been a covered project. For example, if the disadvantaged goal would have been 100 hours, then targeted workers must perform in excess of 50 hours on the non-covered project for there to be a credit. OEWD shall establish criteria for credit hours and their application to meet the minimum participation, and publish those shortly.

J. Penalties

1. **Question**: If penalties are issued, how will it be determined whether the wage should be an apprentice or journeyman wage?

Answer: If a contractor falls short of the mandatory level of San Francisco resident participation in a particular trade, the penalty will be equal to journeyman wages of that trade for each hour by which the contractor fell short. If a contractor falls short of the requirement of 50% of apprentice hours to be performed by San Francisco residents, the penalty will be equal to the average apprentice wage for each hour in which the contractor is deficient.

K. Incentives

1. **Question**: What is the status of incentives? What qualifies as incentives? What are the non-monetary incentives?

Answer: Financial incentives are at the discretion of the awarding departments. If a project includes financial incentives for exceeding the local hiring mandate, it will be clearly outlined in the advertisement for bid. OEWD is continuing to work with awarding departments to develop non-financial incentives.

L. Impact of the Local Hiring Policy for Construction

1. **Question**: How many jobs will the local hire legislation produce?

Answer: A study conducted by the Office of the Controller estimated that in a typical year, at the peak of the legislation (50% requirement after 7 years), the policy will create approximately 335 full-time equivalent jobs for unemployed trade workers in San Francisco, and an additional 15 jobs through multiplier effects.

M. Data Collection

1. **Question**: Will OEWD provide data on how projects are performing with local hiring?

Answer: OEWD will regularly publish summary reports on local hiring by project and by contractor, and will post on the OEWD website. OEWD will also submit an annual report to the Board of Supervisors, commencing on March 1, 2012, that will include data on performance under this Policy by contractor and by awarding department. Data will include overall percentage of project work hours on covered projects performed by local residents, disadvantaged workers, local resident apprentices, and residents of states other than California.

2. **Question**: Does the City intend to require that race and ethnicity of each worker be recorded and reported? Should this not be optional?

Answer: For the purposes of recordkeeping under the ordinance, race and ethnicity is self-reported by the worker, and is optional.

N. Reciprocity Agreements

1. **Question**: Are there currently any reciprocity agreements in place?

Answer: The City and County of San Francisco and San Mateo County have signed a reciprocity agreement which is pending approval by the San Francisco Board of Supervisors by resolution, as required under the Ordinance. The vote is expected to take place in late June of 2011.

2. **Question**: What are the terms and conditions of the reciprocity agreement with San Mateo?

Answer: For any project covered under the ordinance that is located in whole or in part within the boundaries of San Mateo County, "local resident" and "disadvantaged worker" will apply to workers domiciled within both San Francisco County and San Mateo County. Contractors working under these conditions will be required to strive to balance their workforce with an equal number of residents from San Francisco and San Mateo counties towards meeting their applicable level of mandatory local hiring participation.

In addition, contractors who wish to sponsor apprentices as part of their conditional waiver may draw from graduates of both San Francisco's CityBuild Academy and San Mateo County's Project Build program.

3. **Question**: Under the reciprocity agreement with San Mateo, can a contractor use San Mateo residents to count towards local hiring on a project in San Francisco?

Answer: No, the reciprocity agreement with San Mateo only applies to projects, covered by the ordinance, that are physically located in whole or in part in San Mateo County. For example, a covered project at San Francisco International Airport (SFO) will be subject to the reciprocity agreement.

4. **Question**: How will a contractor know if a project is subject to a reciprocity agreement in place with another city or county?

Answer: If a covered project is subject to a reciprocity agreement, that information will be included in the advertisement for bid.

SAN FRANCISCO
Office of Economic and Workforce Development
Building Tomorrow's Workforce Today

City and County of San Francisco :: Edwin M. Lee, Mayor
Workforce Development Division :: Rhonda Simmons, Director

EXHIBIT 3

San Francisco Local Hiring for Construction Implementation Plan





Office of Economic and Workforce Development
Citybuild Program
March 2011

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San Francisco Local Hiring Policy for Construction
Implementation Plan

1.1. Introduction

The implementation of the City's new mandatory hiring policy is a top priority for Mayor Lee and the Office of Economic and Workforce Development (OEWD). This implementation plan will outline the steps taken in preparing impacted City departments, contractors, and the broader community for the San Francisco Local Hiring Policy for Construction. The new policy is an amendment to Chapter 6.22(G) of the San Francisco Administrative Code, and will require contractors performing City public works or improvement projects to meet mandatory levels of San Francisco resident participation.

The goal of the implementation plan is to provide predictability for all stakeholders by maximizing existing City resources and infrastructure to eliminate duplication and new administrative barriers, while at the same time achieving the goals of the Local Hiring Policy.

1.2. Overview

1.2.1. Implementation Strategy

OEWD is working with the City Administrator's Office, the City Attorney's Office, San Francisco Public Utilities Commission, Department of Public Works, Recreation and Parks Department, SFO, San Francisco Port, San Francisco Municipal Transportation Agency, the Human Rights Commission, Office of Labor Standards and Enforcement, and the Controller's Office.

All City departments impacted by the new ordinance are assisting OEWD in developing new contract language that will be included in bid specifications for construction contracts. The document, referred to as Document 00820 in bid language, will be introduced to a broad group of stakeholders for feedback. The various departments are also working together to develop a policy around incentives for exceeding local hiring mandates, and in creating education and outreach documents tailored for different stakeholders.

The collaborative of City departments is also assisting OEWD in developing new internal policies and procedures to deal with all aspects of the new policy, including the compliance process, off-ramp and waiver requests, determining domicile for the purposes of being a "local hire," etc. These policies will guide our work with contractors after they have successfully bid on City projects.

The collaborative is also coordinating a number of outreach events directed at educating the contractor community, with a particular focus on the City's most active LBE contractors, as well as those who have historically performed the most hours on City public works projects. Other efforts will include press events, trainings, and outreach meetings.

Efforts are also underway with Elation Systems, the City-approved certified payroll vendor, in creating new modules and functions to ensure an effective and accurate compliance mechanism. Changes to Elation Systems will also include automating the process of submitting required workforce forms and documents by contractors who successfully bid on City contracts. The goal is to simplify the contracting process, reduce waste, and ensure that there are no delays in moving a project forward.

A Local Hire website hosted by OEWD is being updated as information is released on the new policy. Included on the website is the ordinance itself, a fact sheet outlining the new provisions, and a San Francisco Labor Market Analysis on the construction sector. OEWD has also set up an email address for all inquiries related to the new ordinance, as well as a hotline number.

Website: http://oewd.org/Workforce_Development-SF_Mandatory_Local_Hire.aspx
Email: Local.Hire.Ordinance@sfgov.org
Hotline: 415-581-2363

1.2.2. Roles and Responsibilities

OEWD is responsible for overall management of the implementation along with the Deputy City Administrator. All City departments impacted by the new ordinance have identified at least 2 senior staff to assist in the implementation phase.

There were two groups created to work on implementation. The Working Group is a multi-department team charged with crafting the various policies, procedures, contract specifications, bid language, forms, and other related items. From the Working Group, three subcommittees were formed to focus on different aspects of the legislation. The Working Group and its subcommittees have been meeting weekly since February. The three subcommittees are:

Bids/Contract Documents Subcommittee - This group focused on drafting new contract language to be included in bid specifications for construction contracts impacted by the new ordinance. The goal of the subcommittee was to draft the document in way that was similar in format to the previous contract language around local hiring, but that sufficiently highlighted the amendments to reflect the new mandatory obligations.

Incentives/Penalties Policy Subcommittee – The new ordinance calls for incentives, both financial and non-financial, when a contractor exceeds the local hiring goal, and the issuance of financial penalties when a contractor falls short of the goal. This subcommittee focused on drafting policies to outline the process for both scenarios.

Outreach and Education Subcommittee – This subcommittee worked to develop marketing materials to educate the contractor community and the general public on the provisions of the new ordinance. The group also provided recommendations for the different forums that are being held to broadcast the new legislation to different stakeholders.

In addition to the Working Group, the other group created was the Implementation Policy Group. While the Working Group coordinated the day-to-day tasks necessary for implementation, the Policy Group provided broad leadership to address items that need resolution, reviews/comments on Working Group work products, and addressed larger City-wide issues as warranted. Each head of department either serves on the Implementation Policy Group, or has provided a designee in their place. In addition to the City departments that will award contracts under the new policy, other participating agencies included the Controller's Office, Capital Planning, Budget Office, and the City Attorney's Office. This group has been meeting bi-weekly since February.

1.3. Implementation Plans

1.3.1. Release Overview

All City construction contracts advertised for bid on or after March 25, 2011, will be subject to the new policy, and updated contract language will be included in all relevant bid specifications.

The new contract language, Document 00820, will be available to the public prior to that date on the OEWD website and that of all Chapter 6 awarding departments.

1.3.2. Streamlined Process

As part of the implementation process, the collaborative took the opportunity in re-drafting contract language to assess the overall contracting process and to streamline efforts in order to minimize burdens on bidding contractors and City departments (please refer to *Attachment 1*, which outlines the new process).

1.3.3. Schedule

In preparation for the March 25, 2011, effective date of the policy, OEWD is coordinating a series of events with the Mayor's office, the Board of Supervisors, City departments, and other stakeholders. On February 26, OEWD participated in a local hire teach-in, convened by workforce and advocacy groups in Southeast San Francisco. Dozens of community members and trades workers attended, including approximately 50 members of the contractor community.

On March 9, Mayor Lee will be conducting a press event to announce the local hire policy. The event will take place at the Palega Recreation Center, which will undergo a $13 million rebuild this summer. At the event, a schedule of upcoming City construction projects that will be impacted by the new ordinance will be released (please refer to *Attachment 2*). Earlier that day, OEWD and the City's Administrator's Office will be meeting with LBE contractors to discuss how best our small, local businesses can continue to successfully bid on City project.

On March 14, Supervisor John Avalos, the author of the ordinance, is holding a hearing entitled the Local Hiring for Construction Ordinance Implementation Status, where OEWD and other City departments will provide updates to the Board and the public.

On March 18, OEWD will host a Stakeholder Meeting to gather feedback on the new contract language from community partners and labor unions.

On an ongoing basis, OEWD staff will discuss the new requirements at pre-bid meetings, trainings for the Elation Systems, and other outreach events.

The Implementation Policy Group will continue to meet on an ongoing basis after March 25 to review the success of the Implementation Plan.

LOCAL HIRING IMPLEMENTATION BID COMPARISON – ATTACHMENT 1

CURRENT WORKFORCE DOCUMENT PROCESS

STAGE 1: BID OPENING & REVIEW

All Contractors Attend Pre-Bid Meeting

HRC Collects Form 5 & other [illegible] for Bid Review

HRC Form 5

HRC Attachment 1: (HRC Form 5: Employment Form)

CityBuild Requests from HRC Paper Copies of Form 5

STAGE 2: CONTRACT AWARD

City PM notify Prime if Forms are not Submitted, potential Delay of Work

Prime Contractor

CityBuild Form 2: Hiring Plan

City Awarding Department – Project Managers

OEWD, CityBuild

CityBuild Form 1: Workforce Projection

CB Notify if Forms are not Submitted

Subcontractors

PROPOSED LOCAL HIRING IMPLEMENTATION

❖ Bid Preparation

No Workforce Forms Submitted

City Awards Contract to Apparent Low Bidder

Yes, Able To Meet Requirement

Contractor

Online Project Reporting System

Online Project Reporting System

Form 1:

Form 1: Local Hiring Compliance

Form 4: Conditional Waivers:

For $1 million and above - Form 2: Local Hiring Plan

City Department

Issue Notice to Proceed

OEWD, CityBuild

Attachment 2

Upcoming Construction Projects Subject to the San Francisco Local Hiring Policy for Construction

*This is a list of projected projects as of March 8, 2011, and is subject to change. For a final list of contracts, please refer to the Office of Contract Administration's Bid/Contracts Listing website at: http://mission.sfgov.org/OCABidPublication/

Department of Public Works (DPW), March 2011 – October 2012

*RPD projects listed separately below

Contract #/Name	Est. Value	Funding Source	Est. Adv. Date	Contract Delivery Model
1739J, Cabrillo St Pavement Renovation	$2.1 million	Commercial Paper, COP, Prop 1B	March 2011	Design-Bid-Build
1762J, Stanyan and Golden Gate Pavement Renovation	$2.5 million	Commercial Paper, COP, Prop 1B	March 2011	Design-Bid-Build
1758J, Marina Blvd, Lyon St, and Columbus Pavement Renovation	$2.8 million	Commercial Paper, COP, Prop 1B	April 2011	Design-Bid-Build
1746J, 17th St Pavement Renovation Phase 1	$3.1 million	Prop K, Prop 1B	April 2011	Design-Bid-Build
1747J, Parnassus St Pavement Renovation	$2 million	Prop K, Prop 1B	April 2011	Design-Bid-Build
1765J, Lawton St Pavement Renovation	$1.5 million	Commercial Paper, COP, Prop 1B	April 2011	Design-Bid-Build
1257J, Plymouth Street Pavement Renovation and Sewer Replacement	$600,000	Capital Project Funds – Repair and Replace	April 2011	Design-Bid-Build
1643J, Plymouth Paving Renovation	$1 million	Prop 42	May 2011	Design-Bid-Build
1717J, MOD Curb Ramps FY 10-11	$600,000	COP (gas tax)	June 2011	Design-Bid-Build
1790J, Prop K Curb Ramps FY 10-11	$500,000	Prop K	July 2011	Design-Bid-Build
1718J, Design-Build Curb Ramps	$500,000	COP (gas tax)	July 2011	Design-Bid-Build
1197J, SOMA West Ancillary Improvement Project	$1.3 million	Capital Project Funds – Repair and Replace	FY 11-12	Design-Bid-Build
7265A, San Francisco Office of Aids Research (SOAR) CM/GC Bid Packages	$4.5 million	General Fund, Special Revenue Fund	July 2011	Design-Bid-Build
7223, Cruise Ship Terminal Phase I	$42 million		July 2011 : January 2012	Design-Bid-Build
ESER I Neighborhood Fire Stations, Phase 1: Focused Slope – Roofing JOC	$1.4 million		3rd Quarter 2011	Design-Bid-Build
ESER I Neighborhood Fire Stations, Phase 2:	$1.8 million		3rd Quarter 2011	Design-Bid-Build

Focused Slope – Roofing JOC				
1073J, Marina Green Bicycle Trail	$1.03 million		October 2011	Design-Bid-Build
1720J, Point Lobos	$400,000	General Fund	October 2011	Design-Bid-Build
1066J, Broadway Phase III	$1.5 million		November 2011	Design-Bid-Build
1064J, Second Street	$5 million		December 2011	Design-Bid-Build
1785J, Arelious Walker Stair Replacement	$1.1 million	Special Revenue Funds	December 2011	Design-Bid-Build
1811J, SOMA Alley Improvement Phase II, Sewer Replacement	$1.4 million		TBD	TBD
MOD Curb Ramps FY 11-12	$600,000		TBD	TBD
ESER I Neighborhood Fire Stations, Phase 3: Seismic / Comprehensive	$21 million		TBD	TBD
7451A, ESER I Cisterns	$26 million		TBD	TBD

Port of San Francisco, March 2011 – September 2011

Contract #/Name	Est. Value	Funding Source	Est. Adv. Date	Contract Delivery Model
2744, Roundhouse 2 HVAC Central Plant Upgrade	$450,000	Port Capital Project	March 2011	Design-Bid-Build
2740, Heron's Head Park Improvement Project	$1.6 million	Clean & Safe Park Bond	April 2011	Design-Bid-Build
2745, HSH Joint Ops & Security Team	TBD	Security Grant	April 2011	Design-Bid-Build
Pier 70, Building 113 Stabilizing	$500,000	Port Capital Project	May 2011	Design-Bid-Build
2743, P33 Bulkhead Improvements & P33 New Electrical Service	$2 million	Revenue Bond	June 2011	Design-Bid-Build
2726, Brannan Street Wharf Park	$23.8 million	Port Funds & Clean & Safe Park Bond	August 2011	Design-Bid Build
Tulare Park	$500,000	Clean & Safe Park Bond	September 2011	Design-Bid-Build
Pier 70 Abatement	TBD	Port Capital Project	TBD	TBD

Public Utilities Commission (PUC), March 2011 – August 2012

† Some of the PUC contracts listed below are Water Improvement System Program (WSIP) projects. Discussions are ongoing as to the applicability of this ordinance to WSIP projects.

Contract #/Name	Est. Value	Funding Source	Est. Adv. Date	Contract Delivery Model
TBD - Hetch Hetchy, ISY Switchyard, Phase 1	$3.2 million	Power Infrastructure	March 2011	Design-Bid-Build
WW-433, Buchanan St/Filbert St/Marina Blvd/Pierce St./Sacramento St. Sewer Replacement	$16 million	Revenue & Bond	April 2011	Design-Bid-Build
TBD - Waste Water, Oceanside Digester Corrosion Repairs	$8 - $10 million	WWE Interim CIP	April 2011	Design-Bid-Build
HH-942, Moccasin Powerhouse Generator	$12 million	Power Infrastructure	April 2011	Design-Bid-Build
WD-2445, 8-inch DIP Main Installation in Second, New Montgomery, Stevenson and other Streets	$1.5 million	Revenue & Bond	May 2011	Design-Bid-Build
WD-2456, 8-inch DIP Main Installation in Mission, San Carlos, Sycamore and 19th Streets	$1.5 million	Revenue & Bond	May 2011	Design-Bid-Build
Spot Sewer Repair Contract #26	$3.5 million	Revenue & Bond	May 2011	Design-Bid-Build
WD-2446, 8-inch DIP Main Installation in 18th, 19th, Noe and Hartford Streets	$1.5 million	Revenue & Bond	June 2011	Design-Bid-Build
TBD – Power, LED Street Light Conversion	$400,000		June 2011	Micro-LBE Contracts
TBD - Hetch Hetchy, Powerhouse Oil/Water Separator	$2.5 million	Power Infrastructure	June 2011	Design-Bid-Build
WW-501, Western Addition/Beach/Marina District Sewer Replacement	$2.4 million	Revenue & Bond	Spring 2011	Design-Bid-Build
WW-502, Laurel Height/Haight District Sewer Replacement	$2.7 million	Revenue & Bond	Spring 2011	Design-Bid-Build
WW-503, Richmond District Sewer Replacement	$2 million	Revenue & Bond	Spring 2011	Design-Bid-Build
WW-519, Channel Pump Station Odor Control and Facilities Improvements Phase III	$3 - $5 million	WWE Interim CIP	Spring 2011	Design-Bid-Build
TBD - Waste Water, Powell & Bay Street Sewer System Improvement	$2 - $5 million		Spring 2011	Design-Bid-Build
TBD – Power, SFO Long-Term Parking Lot	$1.5 million		July 2011	Integrated Project Delivery
WD-2499, 8-inch DIP Main Installation in Van Ness	$2.68 million	Revenue & Bond	July 2011	Design-Bid-Build
TBD - Waste Water, Southeast Plant Building	$4 - $5 million	WWE Interim CIP	July 2011	Design-Bid-Build

840/860 Corrosion Repairs and Digester Roof Repairs				
TBD - Waste Water, Wastewater Facility-Wide Security Improvements	$8 - $10 million	WWE Interim CIP	July 2011	Design-Bid-Build
TBD - Waste Water, Wastewater Enterprise Major Mechanical/ Electrical Equipment Replacement	$10 - $12 million	WWE Interim CIP	July 2011	Design-Bid-Build
TBD – JOC, Sunol Building & Grounds Warehouse	$800,000	Water CIP, 1/3 retail rate funded.	July 2011	Design-Bid-Build
WD-2226R, 8-inch DIP Main Installation in Gough Street	$720,000	Revenue & Bond	August 2011	Design-Bid-Build
TBD - Waste Water, Oceanside Interim Class A Biosolids Conversion	$4 - $6 million	WWE Interim CIP	August 2011	Design-Bid-Build
HH-951, Moccasin to Modesto, Transmission Line Optical Ground Wire Upgrade	$4.2 million	Facilities Maintenance	August 2011	Design-Bid-Build
TBD - Hetch Hetchy, Powerhouse Mist System	$2.5 million	Power Infrastructure	August 2011	Design-Bid-Build
TBD - Waste Water, Old Richmond Tunnel Cleaning & Rehabilitation	$5 - $10 million		Summer 2011	Design-Bid-Build
WD-2503, 8-inch DIP Main Installation in Davis, Drumm, Jackson and Sacramento Streets	$930,000	Revenue & Bond	September 2011	Design-Bid-Build
WD-2443, Lining of 22" SP in Mission Street	$1.2 million	Revenue & Bond	September 2011	Design-Bid-Build
TBD - Hetch Hetchy, MSY Switchyard, Phase 1	$3.2 million	Power Infrastructure	September 2011	Design-Bid-Build
TBD - Hetch Hetchy, HHWP Microwave - Moccasin to Calaveras Substation	$4 million	Facilities Maintenance	September 2011	Design-Bid-Build
WW-483RR, North Shore to Channel Force Main Improvements	$10 million	Revenue & Bond	October 2011	Design-Bid-Build
TBD - Waste Water, Southeast Plant Northside Reliability Upgrades and Odor Control Phase II	$20 - $22 million	WWE Interim CIP	October 2011	Design-Bid-Build
TBD - Waste Water, Southeast Bay Outfall Rehabilitation	$1 - $3 million	WWE Interim CIP	October 2011	Design-Bid-Build
TBD - Hetch Hetchy, HPH Unit 2 Upgrades	$2 million	Power Infrastructure	December 2011	Design-Bid-Build
JOC-29, C-16 Fire Suppression	$4 million		2011	Job Order Contract
WW-506, McClaren/Ingleside/Excelsior/Mt. Davidson District Sewer Replacement	$2.9 million	Revenue & Bond	Winter 2011	Design-Bid-Build
WW-507, Potrero/Bernal Heights District Sewer Replacement	$2.5 million	Revenue & Bond	Winter 2011	Design-Bid-Build
WW-500, SOMA/Mission District Sewer	$2.2 million	Revenue & Bond	Spring 2012	Design-Bid-Build

Replacement				
WW-505, Noe/Glen Park/Twin Peaks District Sewer Replacement	$2.2 million	Revenue & Bond	Spring 2012	Design-Bid-Build
TBD – Water, West Bay Treatment Facilities Upgrades	$7 million (About $0.7M a year for 10 years)	Water CIP, 1/3 retail rate funded	July 2012	Design-Bid-Build
TBD – Water, East Bay Treatment Facilities Upgrades	$7 million (About $0.7M a year for 10 years)	Water CIP, 1/3 retail rate funded	July 2012	Design-Bid-Build
TBD – Water, Pipeline Repair	$7.5 million (About $0.75M a year for 10 years)	Water CIP, 1/3 retail rate funded.	July 2012	Design-Bid-Build
TBD - Waste Water, Bayside Treatment Reliability Improvements	$25 - $30 million	WWE Interim CIP	July 2012	Design-Bid-Build
TBD - Waste Water, Oceanside Treatment Reliability Improvements	$12 - $15 million	WWE Interim CIP	July 2012	Design-Bid-Build
TBD - Waste Water, Westside Pump Station and Griffith Pump Station Corrosion Repairs	$8 - $10 million	WWE Interim CIP	July 2012	Design-Bid-Build
TBD – JOC, Corrosion Protection Projects	$1.6 million (About $1.6M a year for 10 years)	Water CIP, 1/3 retail rate funded	July 2012	Job Order Contract
TBD – Power, Alvarado School	$1 million		2012	Integrated Project Delivery

Recreation and Parks Department (RPD), March 2011 – December 2012

Contract #/Name	Est. Value	Funding Source	Est. Adv. Date	Contract Delivery Model
3055V, Fulton Playground and Clubhouse Renovation	$3 million	Clean & Safe Park Bond	April/May 2011	Design-Bid-Build
Balboa Park – Trust for Public Land Partners	$2 million		April 2011	Design-Bid-Build
Forestry Group #2	$700,000		May 2011	Design-Bid-Build
Palega Recreation Center	$13.3 million		June 2011	Design-Bid-Build
Boedekker Park	$6 million		September 2011	Design-Bid-Build
Forestry Group #3	$700,000		September 2011	Design-Bid-Build
3070V, Cabrillo Playground and Clubhouse	$2.8 million	Clean & Safe Park Bond	October 2011	Design-Bid-Build

Renovation				
Alta Plaza	$800,000		October 2011	Design-Bid-Build
Jefferson Square	$900,000		October 2011	Design-Bid-Build
Kimbell Playground	$2 million		November 2011	Design-Bid-Build
Trails – Glen Canyon	$900,000		November 2011	Design-Bid-Build
Forestry Group #4	$700,000		December 2011	Design-Bid-Build
3072V, Lafayette Park Renovation	$7 million	Clean & Safe Park Bond	December 2011	Design-Bid-Build
Trails - Phase 3	$1.4 million		April 2012	Design-Bid-Build
Mission Dolores Park Renovation	$8 million		May 2012	Design-Bid-Build
Beach Chalet Field & Minnie Lovie Fields	$8.3 million		June 2012	Design-Bid-Build
Glen Canyon	$3.9 million		June 2012	Design-Bid-Build
Trails – Phase 4	$1.4 million		October 2012	Design-Bid-Build
Trails – Twin Peaks	$600,000		December 2012	Design-Bid-Build

San Francisco International Airport (SFO), March 2011 – August 2012

* The projects listed are SFO projects without any federal funding.
* Projects projected to be bid out in the next 18 months. In various stages of design phase so exact bid dates TBD.

Contract #/Name	Est. Value	Funding Source	Est. Adv. Date	Contract Delivery Model
8673 Airfield Operations Center	$6.204 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
8697 Access Control System Upgrade	$13.6 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
9049 Variable Message Signs	$1.56 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
8489 Emergency Response Boathouse	$4.25 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
9078 Airport Data Center Consolidation	$2.9 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
8879 Central Garage CO Monitoring System Replacement	$1.268 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
8573 Domestic Terminal Seating	$6.209 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
8466A T1 Boarding Area B - Foundation Repair	$2.78 million	General Airport	TBD	Design-Bid-Build

		Revenue Bonds		
8599 Terminal 1 Lighting Improvements	$869,840	General Airport Revenue Bonds	TBD	Design-Bid-Build
8710 Terminal 1 Roofing Improvement	$2.482 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
8555 Boarding Area C HVAC Improvement	$1.002 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
8580 Terminal 3 Concourse and Boarding Area F Carpet Replacement	$2.687 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
8522 New Sewer Outfall to SSF from MLTP	$1.76 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
8704 Underground Utilities Improvement Industrial Waste System Improvement Phase I	$1.175 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
8427C Mel Leong Treatment Plant Process Building Construction	$14.347 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
8595A Storm Drainage System Improvement Phase I	$1.773 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
8595B Storm Drainage System Improvement Phase II	$1.583 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
8543 Airport Cooling System Energy Efficiency Improvements	$1.079 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
8536 Central Plant Chiller and Energy Management System	$1.304 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
8545 Central Plant Chiller No 2 Improvement	$5.187 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
8803 Central Plant Equipment Upgrade	$1.573 million	General Airport Revenue Bonds	TBD	Design-Bid-Build
8590 Telecommunication Infrastructure Airport Wide	$2.158 million	General Airport Revenue Bonds	TBD	Design-Bid-Build

PORT OF SAN FRANCISCO

MEMORANDUM

July 7, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Monique Moyer
Executive Director

SUBJECT: Accept Staff Report on changes to the Port's Biennial Operating and Capital Budgets for Fiscal Years 2011-12 and 2012-13

DIRECTOR'S RECOMMENDATION: Information Only – No Action Required

On February 22, 2011 in Resolutions 11-08 and 11-09, the Port Commission approved the Port's Proposed Biennial Operating and Capital Budgets for Fiscal Years 2011-12 and 2012-13. Thereafter, both budgets were incorporated into the Mayor's Budget and submitted to the Board of Supervisors for approval. Both budgets have changed as a result of review by Mayor Edwin Lee's Office and the Board of Supervisors as well as certain changes proposed by Port staff. Consistent with Resolutions 11-08 and 11-09, this report is to advise the Port Commission on any material changes to the budget.

The proposed Fiscal Year 2011-12 and 2012-13 biennial budget approved by the Port Commission in February 2011 and subsequently amended and approved by the Mayor and Board of Supervisors Budget Committee is summarized on the following page.

THIS PRINT COVERS CALENDAR ITEM NO. 10B

Table 1: Port Budget Overview

	FY 2011-12				FY 2012-13			
	Proposed Budget	Final Budget	Increase/ (Decrease)		Proposed Budget	Final Budget	Increase/ (Decrease)	
	Port Commission	Mayor & BOS	Amount	Percent	Port Commission	Mayor & BOS	Amount	Percent
SOURCES								
Estimated Fund Balance	$18,159,605	$19,089,605	$930,000	5.1%	$18,000,000	$18,000,000	$ -	0.0%
Revenue	69,052,727	68,943,254	(109,473)	(0.2%)	69,505,368	69,493,752	(11,616)	0.0%
Defunded Capital Projects	2,180,000	3,114,870	934,870	42.9%	-	-	-	0.0%
Environmental Payment from Transbay Cable	550,000	550,000	-	0.0%	550,000	550,000	-	0.0%
Total Sources	**89,942,332**	**$91,697,729**	**$1,755,397**	**2.0%**	**$88,055,368**	**$88,043,752**	**$ (11,616)**	**0.0%**
USES								
Operating Expense	63,225,937	62,758,373	$(467,564)	(0.7%)	65,984,417	65,249,905	$(734,512)	(1.1%)
Annual Projects	3,601,830	3,602,812	982	0.0%	3,783,388	3,784,272	884	0.0%
Subtotal, Operating Budget	*66,827,767*	*66,361,185*	*(466,582)*	*(0.7%)*	*69,767,805*	*69,034,177*	*(733,628)*	*(1.1%)*
Capital Appropriations	13,109,900	15,395,435	2,285,535	17.4%	8,550,000	8,901,979	351,979	4.1%
Operating Reserve	10,004,665	9,941,109	(63,556)	(0.6%)	9,737,563	10,107,596	370,034	3.8%
Total Uses	**$89,942,332**	**$91,697,729**	**$1,755,397**	**2.0%**	**$88,055,368**	**$88,043,752**	**$ (11,616)**	**0.0%**
Operating Reserve as a Percent of Operating Expense	15.8%	15.8%			14.8%	15.5%		

Since the Port Commission's approval, the following material changes were made:

- Operating Expenses decreased $467,564 (0.7%) and $734,512 (1.1%) in FY 2011-12 and FY 2012-13 respectively due to:
 - Reductions in salary and fringe benefit costs from Citywide adjustments;
 - Elimination of the Port's contribution to the Countywide Cost Allocation Plan (COWCAP); and
 - The Board of Supervisors' shift of funds to Capital Appropriations to support the Cruise Terminal project, offset by an increase to salaries and fringe for one America's Cup coordinating staff position.
- Annual Projects increased by a net $982 (0.0%) in FY 2011-12 and $884 (0.0%) in FY 2012-13 due to the combined changes of 1) adding funding to continue the Youth Employment program, which is consistent with the direction of the Port Commission, and 2) reducing funding from projects identified by the Board of Supervisors as described more fully under "Board of Supervisors' Actions" below.
- Capital Appropriations increased $2.29 million (17.4%) in FY 2011-12 and $351,979 (4.1%) in FY 2012-13 to support additional projects including the Cruise Terminal project that is partially funded through Board of Supervisors' adjustments to the budget.

Changes to the Port's budgets are described in more detail below.

Estimated Fund Balance

The estimated fund balance for FY 2011-12 increased $930,000 (5.1%) due to an increase in the projected year-end operating surplus. No changes were made to the FY 2012-13 fund balance. In addition to funding the Capital Budget, these funds support healthy operating reserves of 15.8% in FY 2011-12 and 15.5% in FY 2012-13.

Revenue

The final revenue budgets of $68.9 million for FY 2011-12 and $69.5 million for FY 2012-13 represent a $109,473 (0.2%) and $11,616 (0.0%) change respectively. These reductions are due to 1) updated projections based on actual revenues to date and 2) the loss of Cruise revenue derived from the sale of shoreside power during the construction of the Pier 27 Cruise Terminal project. While shoreside power is provided to cruise ships by the Public Utilities Commission (PUC), the Port collects revenue from cruise operators and then passes the funds along to PUC in the form of a work order reimbursement. Therefore, even though the loss of shoreside power is significant, it is offset by a reduction to the Port's work order payment to the PUC.

Table 2: Revenue Detail

	FY 2011-12				FY 2012-13			
	Proposed Budget	Final Budget	Increase/ (Decrease)		Proposed Budget	Final Budget	Increase/ (Decrease)	
	Port Commission	Mayor & BOS	Amount	Percent	Port Commission	Mayor & BOS	Amount	Percent
Cargo	$4,610,000	$4,589,000	$ (21,000)	(0.5%)	$4,726,000	$4,694,500	$(31,500)	(0.7%)
Ship Repair	975,000	975,000	-	0.0%	980,000	980,000	-	0.0%
Harbor Services	2,070,000	2,070,000	-	0.0%	2,120,000	2,120,000	-	0.0%
Cruise	2,225,000	2,011,000	(214,000)	(9.6%)	2,235,000	1,751,000	(484,000)	(21.7%)
Fishing	2,067,000	2,067,000	-	0.0%	2,095,000	2,095,000	-	0.0%
Other Marine	1,414,000	1,415,000	1,000	0.1%	1,422,000	1,423,000	1,000	0.1%
Commercial/ Industrial	40,075,427	40,130,760	55,333	0.1%	40,836,568	41,092,258	255,690	0.6%
Parking	13,556,000	13,556,000	-	0.0%	13,016,000	13,169,000	153,000	1.2%
Special Events	134,000	134,000	-	0.0%	135,000	135,000	-	0.0%
Miscellaneous Services	137,000	137,000	-	0.0%	138,000	138,000	-	0.0%
Facility Damage	6,000	6,000	-	0.0%	6,000	6,000	-	0.0%
Permits	500,000	500,000	-	0.0%	500,000	500,000	-	0.0%
Miscellaneous Repairs	30,000	30,000	-	0.0%	30,000	30,000	-	0.0%
Negotiation Fees	250,000	425,000	175,000	70.0%	100,000	300,000	200,000	200.0%
Interest on Investments	650,000	650,000	-	0.0%	812,500	812,500	-	0.0%
Penalties	19,300	19,300	-	0.0%	19,300	19,300	-	0.0%

Miscellaneous Receipts	334,000	228,194	(105,806)	(31.7%)	334,000	228,194	(105,806)	(31.7%)
Total Revenues	**$69,052,727**	**$68,943,254**	**$(109,473)**	**(0.2%)**	**$69,505,368**	**$69,493,752**	**$(11,616)**	**0.0%**

Board of Supervisors' Actions

The Board of Supervisors implemented $530,000 and $545,481 in cuts to the Port's Operating Budget in FY 2011-12 and FY 2012-13 respectively. The Port was in agreement with the reductions, recognizing that the changes were based on prior year trends and will not negatively impact ongoing operations.

While the budget process is still underway, the Port expects the Board of Supervisors to add the funds back to the budget in the form of salaries and fringe for a new 0932 Manager IV position to coordinate Port-specific America's Cup work and capital funds to support the Cruise Terminal project.

Table 3: Board of Supervisors' Cuts and Add-Backs

Source	Item	FY 2011-12	FY 2012-13
Operating (AAA)	Salaries and Fringe	$ -	$ (40,481)
	Operating Expenses	(160,000)	(150,000)
	Materials and Supplies	(50,000)	(25,000)
	Equipment	(220,000)	(230,000)
Annual Projects (AAP)	Facilities Maintenance	(100,000)	(100,000)
Total Reductions		**$(530,000)**	**$(545,481)**
Use	**Item**		
Operating (AAA)	America's Cup Staffing	$ 179,335	$ 193,502
Capital (ACP)	Cruise Terminal Project	350,665	351,979
Total Increases		**$ 530,000**	**$ 545,481**
Operating Budget Impact		$(350,665)	$(351,979)
Capital Budget Impact		350,665	351,979
Overall Budget Impact		$ -	$ -

The impacts of these changes are described in further detail as part of the Operating and Capital Budget discussions.

Operating Budget

The Port's Operating Budget, which includes Operating Expenses and Annual Projects, is $66.4 million in FY 2011-12, a $466,582 (0.7%) decrease from the proposed budget, and $69.0 million in FY2012-13, a $733,628 (1.1%) decrease from the proposed budget.

Table 4: Operating Expenditure Detail

	FY 2011-12				FY 2012-13			
	Proposed Budget	Final Budget	Increase/ (Decrease)		Proposed Budget	Final Budget	Increase/ (Decrease)	
	Port Commission	Mayor & BOS	Amount	Percent	Port Commission	Mayor & BOS	Amount	Percent
Salaries & Benefits	$30,836,511	$30,530,543	$(305,968)	(1.0%)	$32,950,439	$32,537,909	$(412,530)	(1.3%)
City-wide Overhead	100,191	-	(100,191)	(100%)	100,191	-	(100,191)	(100%)
Other Current Expenses	9,910,573	10,050,573	140,000	1.4%	9,742,011	9,902,012	160,001	1.6%
Materials & Supplies	1,347,468	1,297,468	(50,000)	(3.7%)	1,329,740	1,304,740	(25,000)	(1.9%)
Fixed Charges	635,980	635,980	-	0.0%	635,030	635,030	-	0.0%
Capital Outlay (Equipment)	713,899	493,899	(220,001)	(30.8%)	664,384	339,384	(325,000)	(48.9%)
Annual Projects	3,601,830	3,602,812	982	0.0%	3,783,388	3,784,272	884	0.0%
Debt Service	3,850,937	3,850,937	-	0.0%	4,672,445	4,672,445	-	0.0%
Services of Other Departments								
ADM - Insurance & Risk	2,168,000	2,168,000	-	0.0%	2,168,000	2,168,000	-	0.0%
City Attorney	2,759,022	2,859,022	100,000	3.6%	2,759,022	2,859,022	100,000	3.6%
Fire Protection Services	3,215,386	3,149,555	(65,831)	(2.0%)	3,215,386	3,253,230	37,844	1.2%
DHR - Workers Comp	1,065,319	1,049,189	(16,130)	(1.5%)	1,065,319	1,049,189	(16,130)	(1.5%)
PUC - Light, Heat & Power	2,023,000	1,720,175	(302,825)	(15.0%)	2,075,000	1,517,927	(557,073)	(26.8%)
All Other Departments	4,219,650	4,456,461	236,811	5.6%	4,227,450	4,470,868	243,418	5.8%
Subtotal	*15,450,377*	*15,402,402*	*(47,975)*	*(0.3%)*	*15,510,177*	*15,318,236*	*(191,941)*	*(1.2%)*
Interdepartmental Recovery	(225,000)	(167,168)	57,832	(25.7%)	(225,000)	(167,168)	57,832	(25.7%)
Revenue Transfer - MTA	605,000	663,739	58,739	9.7%	605,000	707,317	102,317	16.9%
Total Expenses	**$66,827,767**	**$66,361,185**	**$(466,582)**	**(0.7%)**	**$69,767,805**	**$69,034,177**	**$(733,628)**	**(1.1%)**

The major Operating Expenditure changes are:

- **Salaries and Mandatory Fringe Benefits** decreased by $305,968 (1.0%) in FY 2011-12 and $412,530 (1.3%) in FY 2012-13, resulting from citywide salary and fringe adjustments, offset by salaries and fringe for a new 0932 Manager IV position that was added to the budget by the Board of Supervisors to oversee the Port's America's Cup activities. This additional cost is funded through reductions in other line-items.

- Based on the citywide calculation, the Port's share of **COWCAP** was eliminated for the following two fiscal years, creating a savings of $100,191 (100.0%) in each year.

- **Other Current Expenses** increased by $140,000 (1.4%) in FY 2011-12 and $160,001 (1.6%) in FY 2012-13. This change includes increases of $300,000 in FY 2011-12 and $310,000 in FY 2012-13 for Professional Services in Maritime to improve cargo shipping at Pier 80 and address an increased projection of vessel calls (from 7 to 13) outside of Pier 35. Those costs were offset by $160,000 and $150,000 reductions implemented by the Board of Supervisors in Fiscal Years 2011-12 and FY 2012-13 respectively.

- **Capital Outlay (Equipment)** decreased by $220,001 (30.8%) in FY 2011-12 and $325,000 (48.9%) in FY 2012-13 as a result of reductions implemented by the Board of Supervisors. These changes represent the reduction from eight to four replacement F250/350 Trucks for the Maintenance Division, which is within a reasonable replacement cycle and was agreed to by the Port.

- While **Annual Projects** only increased by $982 (0.0%) and $884 (0.0%) in FY 2011-12 and FY 2012-13, two important changes occurred. First, the Port corrected $100,982 and $100,884 in FY 2011-12 and FY 2012-13 funding levels for four projects. The majority of this change was to continue funding for the Youth Employment program, as directed by the Port Commission.

	FY 2011-12	FY 2012-13
Heron's Head Park (GPO-632)	$36,000	$36,000
Youth Employment Program (PYEAES06)	65,000	65,000
GIS Project (GPO-569)	0	30
Rincon Park (PP010101)	(18)	(146)
	$100,982	$100,884

Second, the Board of Supervisors reduced $100,000 in funding each year for the following projects:

	FY 2011-12	FY 2012-13
Disaster Recovery (GPO-570)	$0	$50,000
Oracle Upgrade (GPO-571)	50,000	0
A/E Consulting (GPO-551)	25,000	25,000
Storm water Pollution Control (GPO-228)	15,000	15,000
Sanitary Sewer Management Plan (GPO-565)	10,000	10,000
	$100,000	$100,000

- **Payment to Other Departments** decreased by $47,975 (0.3%) in FY 2011-12 and $191,941 (1.2%) in FY 2012-13. These changes are largely due to adjustments in the following individual work order agreements:
 - City Attorney – Increased funding by $100,000 each year due to the recognition of the legal costs associated with development deals that are recovered through negotiated developer fees. While the developer reimbursement revenue was included in the Port Commission proposal, the expenditure was inadvertently excluded.
 - Police Department – Increased funding by $147,983 in FY 2011-12 and $154,899 in FY 2012-13 for one additional evening patrol officer on Port property from Wednesdays to Sundays during the high tourist season, which ranges from Easter to

November. Planned through FY 2013-14, this additional position will provide for succession management and address Port security needs during a time period that will feature several large scale events. In FY 2014-15, the Port will revert to funding one Port police officer position.

- PUC - Light, Heat & Power – Decreased funding by $302,825 in FY 2011-12 and $557,073 in FY 2012-13 largely due to reductions in shoreside power operations while the Cruise Terminal project is underway. These savings are offset by a like reduction in revenues collected from cruise operators.
- DEM - Radio Debt Service – Decreased funding by $32,365 each year for the allocated cost of debt service payment for public service radios. Staff determined that it is not legally feasible for the Port to contribute to such payments because the Port Commission was not requested to make an upfront contribution and there was a dedicated citywide funding source available and identified at the time that the radios were initially purchased.
- Other Departments – Overall work orders for a variety of services increased by $105,163 in FY 2011-12 and $72,389 in FY 2012-13 largely due to the allocation of citywide services including eMerge and technology infrastructure initiatives. Also, the Port's estimated Human Rights Commission work order was updated to reflect the final overhead rate and cost allocation methodology.

Capital Budget Changes

The FY 2011-12 Capital Budget increased $2.29 million (17.4%) to support the new Cruise Terminal project ($1.35 million), stabilization of Building 113 on Pier 70 ($1.12 million) and earlier implementation of the Fisherman's Wharf Harbor Office project ($0.2 million) that was originally funded in FY 2012-13. These projects are funded by the availability of additional fund balance, defunding $934,870 in additional projects, reducing and deferring $385,130 of funding from previously approved projects to FY 2012-13 and shifting $350,665 from Operating Expenses and Annual Projects using cuts implemented by the Board of Supervisors.

The FY 2012-13 Capital Budget increased by $351,979 (4.1%) due to $1.58 million in funding for the Cruise Terminal project, offset by $1.23 million of reductions in the Pier Structure Repair Project. Also, a portion of the Amador Street project funding was deferred to FY 2012-13 in exchange for earlier completion of the Fisherman's Wharf Harbor Office project.

Table 5: Capital Project Funding

	FY 2011-12			FY 2012-13		
	Commission Approved Funding	MYR & BOS Final Funding	Change	Commission Approved Funding	MYR & BOS Final Funding	Change
FW Harbor Office and Marine Unit Headquarters' Building	$ -	$200,000	$200,000	$200,000	$ -	$(200,000)
Pier 27 Cruise Terminal Project **[NEW]**	-	1,350,665	1,350,665	-	1,576,979	1,576,979
Ferry Terminal Float Repairs – Add'l Funding	350,000	164,870	(185,130)	300,000	300,000	-
Pier 70 Historic Buildings Clean-Up	50,000	50,000	-	-	-	-
Pier 70 Infrastructure Study	-	-	-	100,000	100,000	-
Pier 70 Building Stabilization Project **[NEW]**	-	1,120,000	1,120,000	-	-	-
Dry Dock #1 Emergency Response and Disposal – Add'l Funding	1,816,900	1,816,900	-	-	-	-
Amador Street Forced Sewer Main & Pump Station	900,000	700,000	(200,000)	-	200,000	200,000
Southern Waterfront Greening/Beautification Improvements	150,000	150,000	-	-	-	-
Southern Waterfront Open Space Enhancements/ Alternative Energy	550,000	550,000	-	550,000	550,000	-
Pier 80,92,96 Rail Track Maintenance	-	-	-	100,000	100,000	-
Pier 94/96 High Mast Lighting Project	-	-	-	300,000	300,000	-
Emergency Capital Project Fund	200,000	200,000	-	100,000	100,000	-
Dredge Materials Testing FYs 2011/12 & 2012/13 Programs	750,000	750,000	-	700,000	700,000	-
Maintenance Dredging FYs 2011/12 & 2012/13 Programs	3,045,500	3,045,500	-	2,595,340	2,595,340	-
Port ADA Transition Plan – Add'l Funding	200,000	200,000	-	175,000	175,000	-
Pier Structures Repair Project, Phase II – Add'l Funding	4,622,500	4,622,500	-	2,725,000	1,500,000	(1,225,000)
Utilities Project – Add'l Funding	175,000	175,000	-	204,660	204,660	-
Waterfront Sewer Pump Project, Phase II – Add'l Funding	-	-	-	100,000	100,000	-
Leasing Capital Improvement Project - Add'l Funding	100,000	100,000	-	100,000	100,000	-
Port Elevator/Escalator Upgrade, Repair, and Replacement Project	200,000	200,000	-	300,000	300,000	-
Total Project Funding	***$ 13,109,900***	***$15,395,435***	***$2,285,535***	***$8,550,000***	***$8,901,979***	***$351,979***

Next Steps

The City and County of San Francisco's FY 2011-12 and, for enterprise departments, FY 2012-13 Budget has been approved by the Board of Supervisor's Budget and Finance Committee. By Charter, the full Board of Supervisors must approve the final budget prior to August 1, 2011. However, since the new fiscal year began on July 1, 2011, City departments are currently operating on the Interim Budget, which is the same as the Mayor's Budget.

Summary

The Port's current Fiscal Year 2011-12 and 2012-13 biennial operating and capital budgets are different from that which the Port Commission approved in February 2011. Some of the amendments resulted from changes to work order recoveries and salary and fringe assumptions implemented by Mayor Edwin Lee's Office as well as a reduction in the Port's contribution to COWCAP. The remaining changes were the result of Board of Supervisors' cuts to miscellaneous budget categories and that will be used to enhance America's Cup staffing and funding for the Cruise Terminal project. Notably, the Port preserved its 15% operating reserve as required by Port Commission Policy. Any additional surpluses will continue to support the Port's Capital Program in FY 2012-13 onward. Staff requests that the Port Commission accept this budget update report.

Prepared by: Meghan Wallace, Budget Manager
Finance and Administration

For: Elaine Forbes, Deputy Director
Finance and Administration

SAN FRANCISCO
PORT COMMISSION

JULY 12, 2011
MINUTES OF THE MEETING

MEMBERS, PORT COMMISSION
HON. KIMBERLY BRANDON, PRESIDENT
HON. ANN LAZARUS, VICE PRESIDENT
HON. FRANCIS X. CROWLEY
HON. DOREEN WOO HO
HON. LESLIE KATZ

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AMY QUESADA, COMMISSION SECRETARY

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE MEETING
TUESDAY, JULY 12, 2011

1. CALL TO ORDER / ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 2:04 p.m. The following Commissioners were present: Kimberly Brandon, Ann Lazarus, Francis X. Crowley and Doreen Woo Ho. Commissioner Leslie Katz arrived 2:10 p.m.

2. APPROVAL OF MINUTES - June 14, 2011

ACTION: Commissioner Lazarus moved approval; Commissioner Crowley seconded the motion. All of the Commissioners were in favor; the minutes of the June 14, 2011 meeting were adopted.

3. PUBLIC COMMENT ON EXECUTIVE SESSION

4. EXECUTIVE SESSION

ACTION: Commissioner Lazarus moved approval; Commissioner Crowley seconded the motion. All of the Commissioners were in favor.

The Commission Secretary announced that Item (1)a has been taken off the calendar as there are no updates on the item at this time.

At 2:05 p.m., the Commission withdrew to executive session to discuss the following:

(1) Discussion of Executive Director's Performance Evaluation for Fiscal Year 2010-11 pursuant to Section 67.10(b) of the Administrative Code and Section 54957(b) of the California Government Code.

(2) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.***

a. Property: Piers 19, 23, 26, 27, 28, 29, 29½, 30-32, 80, Piers 14-22½, 32-36 and 54 water areas and Seawall Lot 330

Person Negotiating: Port: Jonathan Stern, Assistant Deputy Director, Planning and Development, and Brad Benson, Special Projects Manager

*Negotiating Parties: America's Cup Event Authority, LLC: Stephen Barclay, Craig Thompson and Patrick Jost

b. Property: AB 4052; 4111, Lots 3 and 4; 4110, Lot 1; 4046, Lots 1 and 2; also known as Pier 70 Master Plan Area, located near the intersection of 20th Street and Illinois

Person Negotiating: Byron Rhett, Deputy Director, Planning and Development
*Negotiating Parties: Artspace Projects, Inc., BUILD Inc, Development Advisory Services, Equity Community Builders, Forest City Development California, Inc. Kidson Land Company LLC, Orbit Development, Pacific Waterfront Partner LLC, Placeworks LLC.

5. RECONVENE IN OPEN SESSION

At 3:25 p.m., the Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Lazarus made a motion to adjourn executive session and reconvene in open session; Commissioner Crowley seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Lazarus made a motion not to disclose any information discussed in executive session. Commissioner Crowley seconded the motion. All of the Commissioners were in favor.

6. ANNOUNCEMENTS. The Commission Secretary announced the following:

A. **Announcement of Prohibition of Sound Producing Devices during the Meeting**
The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

B. **Announcement of Time Allotment For Public Comments**
A member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

7. EXECUTIVE

A. Executive Director's Report – Executive Director Monique Moyer reported the following:

- San Francisco Architectural Heritage 2011 Lecture Series – 6 p.m. on July 21, 2011 and September 15, 2011 at Pier 1

 The San Francisco Architectural Heritage will be hosting two lecture series at the Port offices at Pier 1. The first one will be held on July 21, 2011 at 6 p.m. John King, Urban Design Critic for the San Francisco Chronicle, will discuss his new book *Cityscapes* (Heyday, 2011) which looks at 50 buildings that convey a distinct slice of San Francisco. He will also show some of the surprising ways that the architectural terrain, overlooked structures as well as obvious landmarks, can be looked at for insight about our city's politics and culture.

 The second event will be held on September 15, 2011 at 6 p.m. George Oates of the Internet Archive will explore the rapidly evolving field of digital archiving and its importance to the future of historic preservation. The Internet Archive is a local nonprofit that is building a digital library of cultural artifacts.

 The events are open to the public. Individual tickets are $12 and $8 for Heritage members. More information on these and the other lectures in the 2011 series is available at www.sfheritage.org

- 27th Annual Plastic Regatta at the Bayview Boat Club – 10 a.m. on July 16, 2011

 Per Corinne Woods, the Bayview Boat Club will be hosting the 27th Annual Plastic Regatta on July 16, 2011 at 10 a.m. The Plastic Classic Regatta includes a Concourse to Elegance and series of races for vintage fiberglass sailboats. Eligible vessels are all plastic sailing vessels designed at least 25 years ago and include trailer blue vessels that will launch from the public boat launch ramp at Pier 52. All is welcome to the event.

- Draft EIR for the 34th America's Cup and the James R. Herman Cruise Terminal and Northeast Wharf Plaza

 On July 11, 2011, the Department of City Planning issued the Draft EIR for the 34th America's Cup and the James R. Herman Cruise Terminal and Northeast Wharf Plaza. The Department of City Planning Commission will hold a public hearing on August 11, 2011. Comments on the EIR are due on August 25, 2011. She thanked the hundreds of people – public, private, governmental, and nonprofits who have worked on this amazing document. It's a great effort. It's historic in the efforts of San Francisco as it relates to publishing a document of this nature. She recognized Diane Oshima and numerous others in getting this done as well as our consultants. We have a long ways to go but this is an incredibly important milestone

and we are proud of it. Thanks to Port staff, friends, colleagues and consultants for their amazing dedication and creative intellect to get it this far.

8. **CONSENT** - The Commission Secretary announced that Item 8C will be taken off the calendar so that staff can make a correction to the staff report.

A. Request approval of the proposed Fiscal Year 2011-12 Monthly Rental Rate Schedule, Monthly Parking Stall Rates, and Special Event and Filming Rates. (Resolution No. 11-46)

B. Request authorization to accept and expend $70,000 in grant funds from the Association of Bay Area Governments Bay Trail Program for the Cargo Way Bicycle Lane Improvement Project, along Cargo Way between Third and Jennings Streets. (Resolution No. 11-47)

ACTION: Commissioner Lazarus moved approval of the consent items; Commissioner Crowley seconded the motion. All of the Commissioners were in favor. Resolution Nos. 11-46 and 11-47 were adopted.

C. Request authorization to award Construction Contract No. 2745, Hyde Street Harbor Joint Operations and Security Building Project, to Roebuck Construction Inc., in a not-to-exceed amount of $1,754,450, and also authorize staff to increase the contract amount by 10% (or $175,445) through contract modification or change order for a total of $1,929,895, in the event of unanticipated contingencies. (Resolution No. 11-48)

Wendy Proctor, Port Architect, indicated that this was taken off the consent item because there's a bit of information missing from the staff report. She provided the Port Commission a copy of the HRC memorandum for Contract No. 2745. It provides an explanation that HRC completed the review of the contract bids for compliance of the Chapter 14B pre-award requirements. The LBE mandatory subcontracting participation goal for this RFP was set at 15%. Six firms submitted bids for this project and only the three lowest bids were reviewed for responsiveness. Roebuck Construction, an HRC certified LBE, qualified for a 10% bid discount and was deemed to be the lowest responsive bidder. Roebuck Construction committed to 34.5% LBE subcontracting participation, which exceeded the RFP's 15% goal. Their base bid amount was the second lowest bid as presented in the bid summary which is attached to the report as Attachment B. In the report, it appears that EVRA Construction would be the apparent lowest bidder at $1,675,000 but with Roebuck receiving the 10% discount, their base bid was $1,719,750. Their final amount was determined to be $1,547,775, which modifies what was not necessarily obvious in the report.

This project will rehabilitate an existing unconditioned warehouse building located at the north end of Hyde Street in the Fisherman's Wharf area known

as the blue shed to conditioned office space and equipment storage for the San Francisco Police Department Marine Unit shared with the Port's Fisherman's Wharf Harbor Offices. The Port's Homeland Security staff has secured State grant funds for this project. Six construction bids were received for this project. We have a low bidder who will meet the project's budget and the tight schedule for the grant which will expire at the end of June 2012. Ms. Proctor requested the Port Commission to award the contract to Roebuck Construction, Inc. in a not-to-exceed amount of $1,754,450, and also authorize staff to increase the contract amount by 10% (or $175,445) through contract modification or change order for a total of $1,929,895, in the event of unanticipated contingencies.

ACTION: Commissioner Lazarus moved approval; Commissioner Crowley seconded the motion. All of the Commissioners were in favor. Resolution No. 11-48 was adopted.

9. PLANNING & DEVELOPMENT

A. Request authorization to enter into an Exclusive Negotiation Agreement with Forest City Development California, Inc. for the lease and development of the 25 acre Waterfront Site at Pier 70. (Resolution No. 11-49)

Kathleen Diohep, Project Manager, indicated that today's request is fairly technical. It builds on the action that the Port Commission took in April 2011 when staff recommended Forest City as the developer for the 25 acre waterfront site at Pier 70. Staff is recommending approval of the ENA with Forest City. We spent the last 2-3 months working out the rules and the plan on which we will get the project considered and approved.

Ms. Diohep acknowledged that there's a large team of public, the Central Waterfront Advisory Group, Port staff members who worked for several years bringing consensus to create the plan. The plan balances the different challenges at the site and tries to come up with an economic, viable way to revitalize this area of the Port. We're talking about a substantial amount of new development, a substantial amount of historic rehabilitation, continuing our ship repair and finding a way to service all of that with infrastructure and creating new parks.

The RFQ was issued in August 2010. The responses came in on January 2011. We were excited and thrilled by the amount of responses we received because the economy has changed. People want to build tech campuses. People are growing and expanding in San Francisco. All of a sudden, Mission Bay looks like it might be filling up. Pier 70 looks like it's on the horizon. We evaluated those responses and the Commission awarded the RFP to Forest City CA.

Forest City was chosen on qualifications and concepts. The broad concept is to bring the energy of dogpatch of San Francisco, the innovation to this site and to work it through the park and the other pieces of Pier 70. Forest City is a well qualified partner. In the audience is Kevin Ratner, President of Forest City West Coast Development team, Alexa Arena, Vice President and heads the San Francisco office and Jim Ostrum, Vice President of Construction of San Francisco office. As we go forward with this project, we will be hearing more from them on their proposals and ideas. Right now, it's laying out the technical terms of the ENA.

This is a little bit different than what the Exploratorium is doing. Exploratorium has taken a site where we had a plan in place and they are renovating a building. Forest City is undertaking both a master planning role in helping the Port get an entitlement. In that way, it's similar with SWL 337 where there is a lot of work, master planning and approvals to do. What's different here is they will be the developer of the 2.5 million square feet and 25 acres but they will help us get the entire 70 acres defined and planned, figure out an infrastructure system, public finance transportation. In 2008, the San Francisco Board of Supervisors created a new part of the San Francisco Charter expressly for Pier 70. We have some special language that allows us to craft a Prop D plan to improve the entitlement for the site and to establish potentially some general fund investment into the site. We want to work with the Forest City team as well as the ship repair tenant as well as the planning for the parks, integrating it into the eastern neighborhood as a whole to come up with a development concept, proposals, EIR, etc. to move the Pier 70 forward. The ENA governs time and money. Port staff and the Port Commission are promising not to talk to anybody else about this site. This is an agreement to exclusively negotiate with Forest City for a period of time while we figure out this project and take it to the process to get it approved.

Like the SWL 337 project, it has 2 phases. The first one is a project proposal and term sheet. Forest City provided concepts, not a full blown proposal and endorsement by the Port Commission and the Board of Supervisors. This is the step we will take to make sure we don't go as far as publishing four reams of paper of EIR before we have political consensus and approval of the terms and concepts and the deals are right. After we get those endorsements we will forward with the CEQA analysis and other approvals. The ENA has a potential 3 year term and two six months extensions. These time frames look long as things do take a while to pull together. We hope we can make this faster. Part of it is to create an incentive for our development partner to spend the money and funds to get through this. They need to know that they have the time to make it through the process and the time to market.
For the privilege of negotiating with the Port for the next 5 years, Forest City is going to pay the Port a negotiating fee of $200,000 per year. Similar to SWL 337 the payment is deferred so they don't have to draw interest and credit on that money. The payment will be made when the lease is approved at the Board of Supervisors and the transaction is approved, much like the

recently approved Treasure Island and Hunter's Point shipyard projects. That would be the point in time for the negotiating fee to be paid or upon termination of the ENA. Because we are asking the waterfront site developer to play a greater role in this site as a whole to help the Port entitle the 70 acres to spend that effort to think about the creativity there, we structured an incentive to make sure that they want to bring up on the whole area. When we approve a sitewide plan, generally, the same geography as the Pier 70 master plan, half of this fee will be waived. For waiving effectively $1 million in fee, the Port gets an entitlement that lets us build those other areas, parks and approvals. This is a way we handle the fact that we are asking them to carry a load bigger than just their project and gave them a perspective that if there's a reason that they need to cut and do just part of Pier 70 through the entitlement process, there's a way to do that but the Port Commission has to approve it and the fees would be higher.

Each of those extension fees is a cash payment that is not deferred. If for some reason, they need more time, they need to fund that. In addition to paying for the right to negotiate with the Port, they will also cover our cost. It is capped at $300,000 a year which is reasonable compared to the kinds of costs we incurred with the Exploratorium. We are also responsible for sitewide costs i.e. environmental evaluation, working with the Water Board to create the standards for environmental conditions. That is a project that is underway that we funded with grants. We are not going to charge back the developer for that. That's the Port's contribution. The Pier 70 project is so complex. We're having to be a more active public/private partner than we would be if we just had a development site that is valuable and tell the developer to take it and develop it.

The next benchmarks are preliminary development analysis, the deliverables to the Port and a preliminary proposal leading to a land use plan and a term sheet. Throughout that process we will be working with the community, the Port Commission and other stakeholders. The goal is to reach an agreement on a project description, term sheet and the frame work for this plan that will come to the Port Commission and the Board of Supervisors for endorsement. Included in the early benchmark and development analysis are plans for community outreach and schedules for presentations. We expect to be back for informational presentations as we go, informing the Port Commission and the public about how we are detailing in the vision of the master plan for this part of the site and other aspects.

Ms. Diohep asked the Port Commission to approve the agreement to negotiate only with Forest City. It's not an approval of the project. We are going to spend the next period of time defining the project and ask the Commission to review and consider it. The Port Commission and the public will still have opportunities to shape the project and to give feedback. One of the key pieces that Forest City talked about is doing the market research and the understanding to make sure that we are designing and building a project

to meet the market and community needs. As the Port Commission may recall, the Port chose Forest City on a concept call. They are going back to develop a more specific proposal. We are going to build upon the start of the master plan and we're giving them an amazing brain and data dump of everything we've done. They are probably going to go back over some of that same terrain and come up with how that looks and how that details within their vision. The CEQA analysis will consider alternatives and continue to shape and refine the project after the term sheet endorsement stage. She asked for Commission's approval and to give the Port authority to negotiate the ENA with Forest City.

In terms of the steps going forward, Commissioner Katz indicated that she knows that there will be a lot of opportunities for public comment at various meetings. She reiterated her earlier comment that the Port Commission would appreciate occasional updates and presentations from the developers as to their thought process and where they are and what they are thinking so that we might have an open dialog on that front and then have the opportunity for the public to attend the meetings and hear some of their proposal as the process goes on rather than waiting to get some of that information fairly far down the line.

Ms. Diohep replied that staff's plan is to make informational presentations to the Port Commission. We want to come back with a concept that works economically as well. We don't want to go far ahead with great visions and pictures.

Commissioner Katz indicated that she's excited and looking forward to this project.

Commissioner Brandon commented that this may be one of the fastest ENA we've done in a long time. This is a very exciting opportunity and they're looking forward to seeing the next phase.

ACTION: Commissioner Lazarus moved approval; Commissioner Crowley seconded the motion. All of the Commissioners were in favor. Resolution No. 11-49 was adopted.

B. Request approval to enter into a Second Amended Memorandum of Understanding (MOU) with the San Francisco Department of Public Works (DPW) to extend the scope of work from Design Development through Construction Drawings for the Pier 27 James R. Herman Cruise Terminal and Northeast Wharf Plaza Project (Project); and

Request approval to increase the MOU funding authorization for DPW in the amount not to exceed $2,111,517, which consists of a base amount of $1,919,561, and a 10% contingency of $191,956; and

Request approval to amend the Architectural and Engineering contract with the joint venture of Kaplan, McLaughlin, Diaz Architects and Pfau Long Architecture in the amount not to exceed $3,039,449 which consists of a base contract amount of $2,763,135, and a 10% contingency of $276,314; and

Request approval to extend the term of the MOU with DPW to March 30, 2012. (Resolution No. 11-50)

John Doll, Planning & Development, indicated that he's part of the Port team that includes Kim von Blohn, John Davey and Dan Hodapp. The Port has contracted with KMD Pfau Long for architectural and engineering work on the Pier 27 project. Similarly we have an existing MOU with DPW to provide project management and project related work for the Pier 27 project.

The Port entered into an MOU with DPW on April 2009 to provide these services including assistance in project management, contract management, services relating to landscape design to the Port but only through schematics. In November 2009, the Port entered into a design contract with the Joint Venture of KMD Pfau Long to do design work but only through schematics. In April 2010, the design team completed, as part of the first step, a facility program statement for the project which was a narrative program statement that designed or developed a program that was consistent with the advisory panel recommendations from 2007. In 2010, the design team submitted two concept design plans either to convert or replace the Pier 27 shed. In December 2010, the Port Commission approved the preferred option to build a new building. This option was part of the America's Cup plan to use Pier 27 as their special event venue for the races in 2013. This approval also allowed for schematic development to commence. In March 2011, the design team completed the schematic design. In April 2011, the Port Commission authorized staff to enter into the first amended MOU to allow the design team to provide design development drawings for the next phase. The design development drawings are more detailed drawings based on schematics. By July 19, 2011, it is expected that the design development drawings will be completed. The next step is to complete the construction drawings. Staff proposes to immediately initiate and complete the Phase 1 construction drawings by the end of this year which would be on a parallel path with the EIR and hopefully will culminate in a Planning Commission certification of the EIR by the end of the year. The environmental review and the construction drawings will be completed by the end of this year to allow Phase 1 construction to commence at the beginning of 2012. As part of that, we would also start doing Phase 2 construction drawings.
The Phase 2 construction drawings are scheduled to be completed by March 2012. When the America's Cup Event Authority vacates the premises in April 2014, pending EIR, we would start Phase 2 construction in April 2014 and complete it by the end of 2014. Therefore, Port staff proposes the Port Commission authorize the second amendment to the MOU with DPW to carry

out the cost of project management and related services through the next phase of project work, which is Phase 1 and Phase 2 construction drawings. This also necessitates the need to increase fees to the design team of KMD Pfau Long for construction drawings. Port staff requests an increase in the fees to DPW in the total amount of approximately $2.1 million and to amend the contract with the design team to increase funding in the total amount of approximately $3 million for construction drawings. By this authorization, this phase of work that will be completed during this phase will include: First, complete construction drawings for Phase 1 and 2. This includes architectural work, structural engineering, electrical, mechanical, plumbing, everything that you would need to complete the drawings for the project. Secondly the task of the design team & DPW is to start developing early trade packages for bidding. Trade package A includes the steel fabrication, building enclosure, elevators and escalators. Trade package B includes mechanical, electrical and plumbing components. These are items that need to be bid out early if we are going to make the project schedule that accommodates the America's Cup. Third, the team will develop a detailed project budget based on design development drawings. The first cut of this will be completed by the end of August. Lastly, the team will develop a detailed project schedule so that a cash flow model can be developed. This is especially important because we have various sources of funding for this project. In conclusion, Port staff proposes a second amended MOU with DPW to carry out project management and related services through the completion of Phase 1 & Phase 2 construction drawings. The second amended MOU with DPW will increase the amount of funding to DPW in the amount of $1,919,561 with a 10% contingency fund of $191,956 for project management services, for a total amendment value of $2,111,517. Port staff also requests approval to amend the design team contract to increase the fees in the amount not to exceed $2,763,135 with a 10% contingency fund of $276,314 for a total amendment value of $3,039,449. The combined total cost of $5,150,966 needed to complete Phase 1 and Phase 2 construction drawings would be funded by a combination of proceeds from the Port's 2010 Revenue Bonds, the FY 2011-12 Port Capital Budget and the Port's share of proceeds from the sale of the Watermark condominiums, which was the former Bryant Street Pier project.

Mr. Doll indicated that there are some technical changes to the resolution. The first Resolved clause of Resolution No. 11-50 should read as follows:

"Resolved, That the Port Commission hereby authorizes Port staff to amend the contract with the joint venture team of Kaplan, McLaughlin, Diaz Architects and Pfau Long Architecture for architectural and engineering services as described in the staff memorandum accompanying this resolution by increasing the amount of the contract from an amount not to exceed $5,071,454 to an amount not to exceed $8,110,903, which consists of an increase of $2,763,135, plus a ten

percent contingency of $276,314; and be it further"

The third Resolved clause should read:

"Resolved, That the Port Commission extend the term of the MOU to March 30, 2012, subject to the Port's existing right under the MOU to terminate the contract in its sole discretion should the City fail to certify the final environmental impact report for the Project (Final EIR) or the Port Commission's rejection of the Project;"

Ms. Moyer asked Mr. Doll if he brought copies for the Commissioners. Mr. Doll replied that he did not. Commissioner Katz asked for Mr. Doll to repeat the changes. For the record, Mr. Doll read the changes to the resolution. Ms. Moyer asked the Commission to put this item at the end of the agenda so that we can get the written language for the revised resolution.

Commissioner Brandon indicated that we can continue the item. Commissioner Crowley also asked Mr. Doll to fix the typo on the third Resolved. Mr. Doll indicated that he will bring a copy to the Commission showing the original language and the new language.

John Doll passed a revised language of the resolution to the Port Commission for their consideration.

Commissioner Ho asked if the combination of sources of funds for this project such as the proceeds of the revenue bonds sits at the treasury and we draw upon it when we need it and if the funds are all within what we budgeted for the year.

Elaine Forbes, Deputy Director of Administration and Finance, replied that the Phase 1 budget is approximately $58 million. The phase that John Doll is asking for approval is funded through Port revenue bonds that were issued in 2010 and proceeds of the watermark condominium sale and capital budget for the current year which is already appropriated. We do have a reserve on the watermark land sale proceeds. We will be going back to the Budget and Finance Committee of the Board of Supervisors with a request to release that reserve when they get back from the break in September. To get to the $58 million for Phase 1, we have to issue new revenue debt to support that project and finalize the City's contribution of $6.5 million but everything is appropriated with reserve funds to the phase that the Port Commission is being requested to approve today.

Commissioner Lazarus made an observation based on the experience they've had at Fort Mason Center with the restoration, rehabilitation of a historic shed. The date, for a variety of reasons, keeps slipping in terms

of getting a spade on the ground. Nonetheless, they have done the same move from design, to design development to construction drawings to keep the momentum to make sure that when you're ready you have the documents you need and also to benefit what has been a lull in construction and therefore less expensive pricing for both services and materials. For those who might think that this doesn't make a lot of sense because we are not totally certain, these plans which are clearly good for a while and we can all be optimistic that we're going to get there. She personally believes that this is the way to go in terms of keeping the momentum in keeping the project on track.

John doll indicated that this is a wonderful time to bid for construction services pending EIR certification.

Commissioner Katz asked for an explanation about the interplay between the project management funding and the construction management funds and how we will work with Turner, which we awarded the work to at the last meeting, in terms of their providing construction management and construction services. She wants to make sure we don't duplicate the work.

John Doll replied that it's certainly not a duplication of work. The CM/GC is the general contractor so they will perform general contracting work for the project. However, as part of the integrated project delivery system that was delivered at the last meeting, it's the opportunity for the CM/GC to come on board early so they can advise us on early trade bids. There is not a separation between the architecture and the construction but there's more of integration between the two so it will be more seamless. It's not a duplication of services between the CM/GC and on our side, the project management.

Commissioner Katz indicated that she was referring to their construction management services which are different from the general contractor. Perhaps the answer is that it maybe cost savings because everyone is brought into the process earlier. She wants to make sure that we are not adding additional layer of work that hadn't been. John Doll replied we're not.

ACTION: Commissioner Lazarus moved approval as amended; Commissioner Crowley seconded the motion. All of the Commissioners were in favor. Resolution No. 11-50 was adopted.

C. Informational presentation on the Blue Greenway Planning and Design Guidelines, a project to improve and expand the public open space network along the City's central and southern waterfront, from China Basin Channel to the San Francisco County Line.

David Beaupre, Planning & Development, thanked Commissioner Brandon who has been tracking this planning process and has attended several public and community meetings. Some of that could be attested to when he attended the Bayview Hunters' Point Project Area committee meeting last Wednesday and a number of the project area committee members recognized some her work in support of the Blue Greenway. The Blue Greenway Planning and Design Guidelines has been an interagency effort with the participation of the Department Public Works, the Rec & Park Department, the Redevelopment Agency, Municipal Transportation Authority, the Planning Department, the Arts Commission, the Public Utilities Commission, the San Francisco Bay Conservation and Development Commission, the Association of Bay Area Government, the Coastal Conservancy, CA State Parks and stakeholders that include the Neighborhood Parks Council, SPUR, the Audubon Society, Nature and the City, the Bicycle Coalition, Bay Access and a number of the Port's and the Redevelopment Development Agency's CACs including the Port's Central Waterfront Advisory Group, the Maritime Commerce Advisory Committee, Southern Waterfront Advisory Committee, the Mission Bay Citizens Advisory Committee, South Beach-Rincon Point Citizens Advisory Committee, the Bayview Hunter's Point Project Area Committee and the Hunter's Point Shipyard Citizen Advisory Committee. Mr. Beaupre recognized the efforts of all of those entities.

The Blue Greenway is the City's project to complete the bay trail and the bay area water trail from the Mission Creek on the north to the county line at Candlestick State Point. The funding for the planning process was initially funded through the passage of the Prop A 2008 Clean and Safe Neighborhood Parks General Obligation Bond where the Port received $33.5 million, $22.5 million of which was set aside for the Blue Greenway project. Within the 2008 Prop A GO Bond, there was specific Blue Greenway project that can be funded including the planning process, which is in the last phase, signage and wayfinding along Port property, Mission Bay Bayfront Park Shoreline, Pier 70 Crane Cove Park, Warm Water Cover Park, Islais creek improvements and Heron's Head improvements which we know we don't have funding for all. Part of the process is to identify where we prioritize projects and how we look for additional funding to finish the blue greenway.

Mr. Beaupre showed a diagram/slide illustrating the five phase planning phase. We are in the fourth phase. The orange area is the work that we did in 2009; the yellow area is the work that we presented in May 2010; the green area is where we are at today where we presented initial concepts in the fall of 2010 and presented refined concepts with some new information in the last couple of months. The white areas are the steps we still need to complete.

To help everyone understand the various components of what the blue greenway is, we've divided it up into five categories: 1) Individual Open Spaces. The Blue Greenway Planning and Design Guideline focuses on the

Port's open spaces but there are others as well; 2) Linking and connecting streets; 3) Signage, wayfinding, interpretation and public art; 4) Site furnishings standards and build stewardship for all the open spaces; and (5) Identify funding and prioritize projects and continue the interagency relationship that we have developed through the planning process.

Commissioner Brandon had participated in most of the workshops. We've had five blue greenway specific community workshops starting in May and ending with the most recent one in June. There were approximately 17 presentations to the Port Commission on either the planning & design guidelines or specific projects relating to the blue greenway. There were 11 community meetings that we've gone out to and shared the stakeholder outreach to keep the community updated on the progress and process of the Blue Greenway Planning & Design Guidelines.

The open spaces along the blue greenway was developed to look at the existing open spaces within half a mile of the blue greenway and look at what deficiencies are out there and how we might fill those deficiencies as part of new projects on the Port's waterfront. This item is reviewed on Section 2 of the Planning and Design Guidelines that was included in the Port Commission's packet. We also worked with Rec & Park Department that developed, with the Port and through an interagency partnership, suitability analysis that look at what open space opportunities exist out there and what type of open spaces are most appropriate for those open spaces. With that information, we developed concepts for each of the Port's open spaces which is discussed in Section 3 of the Blue Greenway and Design Guidelines. He showed an example of one of the 11 Port open spaces where a concept for the park was developed. He showed the Third and Cargo or Bayview Gateway located between Third Street and Illinois Street on the south shore of Islais Creek. The design looks at introducing public art, eliminating deteriorated wharf area, pedestrian and bicycle amenities, a defined circulation corridor, interpretation, passive areas, sustainable plantings and greening of the site. For each of the 11 Port open spaces along the blue greenway, we also developed preliminary cost estimates. The preliminary cost estimate for this open space is approximately $3.5 million.

The next component of the blue greenway is the streets. Unlike the northern waterfront, where the Embarcadero promenade connects all the various open spaces and there are constant views of the water and a rhythm of bulkhead building and views of the waterfront, the blue greenway does not have that. In many situations, it isn't adjacent to the water and there isn't a defined walkway that connects the open space. In the blue greenway, we defined the linking streets which are the streets that connect the various open spaces and then the connecting streets that connect the neighborhoods down to the waterfront. The Port working with MTA, DPW and Redevelopment Agency will be looking at finding ways of finding funding to improve these streets. The connecting streets would be ultimately the responsibility of DPW and Planning

Department and looking at how they can improve those streets to make them better connections to the waterfront.

He showed some examples at improving bicycle and pedestrian circulations such as on Terry Francois Blvd. where the top is what exists and planned. Alternatives 1 & 2 are cross sections that we looked at and designed working with MTA and RDA and learning from the experiences of the Embarcadero roadway and how we can improve the amenities based on today's standards and national standards.

Similarly, Cargo Way is another linking street where the top is an example of how it operates today. The intermediate plan is a project that we are working with DPW and MTA on how to improve it until we can arrive at an ultimate plan. Earlier today, the Port Commission approved acceptance of a grant from the ABAG that will help facilitate the immediate plan and we are hopeful that project will be constructed before the end of the year.

Signage is one of the elements that can help establish an identity for the blue greenway. The difference between the northern and southern waterfront is significant. The alignment runs in areas where it's through industrial areas; it's away from the water. There's a need to provide some level of identity so that people know they are on a system. The Port retained the consulting firm of Kate Keating and Associates to help the Port develop a signage program. We also worked with ABAG, DPW, and the Redevelopment Agency to come up with a concept looking at some of the opportunities and the industrial vernacular that currently exists in the area as well as looking at some of the challenges where there are harsh edge conditions, narrow sidewalks and where there is an overall lack of identity that makes you think that you're on an open space system. He showed examples of some of the other existing conditions where there are a variety of different wayfinding elements or park signage where there is no coherence. China Basin Park, Agua Vista Park, Pier 52 Boat Launch and Heron's Head Park all have different signage types and we thought it's important to bring them together to provide some continuity. Based on that, we developed some criteria that will help establish how we come up with the signage program. From the criteria, we came up with three different design concepts that we can work with. We could develop a specific signage that's appropriate just for the blue greenway, works in the southern waterfront and fits in the context of the southern waterfront. We also looked at a concept that could work waterfront wide that connects the blue greenway better with the northern waterfront and may go all the way up to the Golden Gate Bridge. We looked at a third concept that look at coming up with a system that would work waterfront wide but have unique elements along the blue greenway so it help establish some of its identity. The working group determined that the first concept of developing something unique to the blue greenway was the best. Because of the industrial context that the blue greenway falls in, there needed to be something big and bold that stands alone and helps establish its own identity. With that in mind, we identified

locations, key roadway intersections where the signs could be placed. We also worked with the Mayor's office and Redevelopment Agency on how that could expand to the shipyard. We've had conversations with the state parks as a part of their master planning efforts on how to establish those on the southern gateway to the blue greenway and developed a concept that drew from the influence of a sail. The consultants called it the sail concept where there is a hierarchy of elements that help establish an identity for the blue greenway so the large yellow or orange sail-like structure is defined as the blaze and connects the open spaces and helps provide the connectivity. The header on the top of the pylon identifies the local neighborhoods so on the actual sign where it's either blue or silver, you could have the dogpatch or the bayview community. Underneath it is a map that shows you where you are and the context of the bay trail within the blue greenway and directional signage to key open spaces along the system.

This looks at different color options. The warmer and brighter colors are visible from a distance in an outdoor environment. The yellow, ocher, or golden gate orange is the preferred color option where the blue or the green may be more consistent with the name of the system. They aren't colors that stand out in the environment.

We looked at taking the concept and applying it and what it would look like out on the site. He showed an example of how you can see one along the system at Illinois Street at 26th Street looking north towards Pier 70. How do you extend that concept into individual open spaces along the blue greenway? The designers thought that the parks should stand by themselves as a design element and that you could carry the form of the sail and use the color of the sail and the park identity.

The second to the last element is the site furnishings which were originally presented in November. The comments received from the community and the stakeholders were that we were too specific and that we should leave more flexibility to the designers and allow the individual open spaces to fit into the context of the neighborhoods they're in and that we should develop a furnishing element that is used from local sustainable materials that recognizes the industrial setting of the blue greenway and so we backed off this site specific criteria, drew from a lot of the work done through the Waterfront Land Design and Access element and BCDC's Waterfront Design Guidelines and came up with recommendations for color and material but also recognize that the linking streets and the site furnishings on those streets can help provide the cohesiveness and identity for the blue greenway. We recommend palette of options for waste receptacles, recycling, composting, bike racks, drinking fountains, and exercise equipment along the streets. For consistency within some of the open spaces from a maintenance standpoint and a rhythm standpoint, identifying things like bicycle racks that MTA has approved, drinking fountains that we know from experience work and introduce the blue greenway landscape blocks that might be customized that

could be used along the individual open spaces but tie the system together. They could be made out of concrete which we know is a locally produced material, have impressions in them either through the forms or through stenciling on the side. They could be used for sculptural elements, retaining walls or even seating. In addition, we've developed specific criteria for the variety of other site furnishings that are needed along the blue greenway.

The last element is the project funding and prioritization of projects. We have approximately $22.5 million from Prop A Clean and Safe Neighborhood Parks Bond. We have a lease agreement for the transbay cable that runs from Pittsburg to San Francisco that provides $550,000 a year for ten years to the Port that we can use towards open space or energy efficiency projects. There are PUC/BCDC mitigation funds. We have the southern waterfront beautification funds and grant from the California Resource Agency for one specific project. This is covered in Section 6 of the Blue Greenway Design Guidelines. We have a total of about $66.5 million of projects excluding roadways because open space funds typically can't be used for transportation projects like the streets and a total funded amount of around $25.5 million. Based on those costs, we developed criteria to help establish how we prioritize projects that weren't identified for early implementation. The criteria are as follows:

1. Does the project meet the established criteria for the specific funding source? There are certain funds that can be used for certain projects.
2. Is the project identified in the existing Port or City plan?
3. Does the project strengthen the blue greenway identity?
4. Does the project create waterfront access where it does not exist today?
5. Is the project identified as a priority by the adjacent community?
6. Does the project serve an adjacent or nearby community?
7. Will the project leverage other funding now or in the future?
8. Can the project be easily phased or completed within the available funding?
9. Does the project enhance or protect natural or cultural resources?

There was no weight given to the criteria. We applied them to the Port projects. Those that met 5 criteria or more would be prioritized. The projects we could prioritize that were not already prioritized included Crane Cove Park at Pier 70, the Third and Cargo Bayview gateway site, signage and site furnishings along the Port's waterfront, public art, and the Islais Creek pile and debris removal.

Our next steps are to continue the community outreach, present this information to a variety of neighborhood and citizens advisory groups and take public comment until the end of this month. Depending on the level of comments received, finalize the document, make a presentation to the Port Commission and utilize the existing CACs to present the final document.

Corinne Woods, Blue Greenway coordinator for the Neighborhood Parks Council, thanked the Port, particularly David Beaupre for all the work he's done, taking the lead on this project. When Isabel Wade started looking at the southern waterfront and why it was such a mess in the early 2000s, there was no will to move forward with this kind of a project. With Prop A, we got some money. Without the Port's pushing and moving this project forward, it would not have happened. She thanked Commissioner Brandon for her enthusiasm and energy on this project. We have a roadmap now with these guidelines. We don't have all the money but we definitely are a lot further along. With the kind of work that the Port has put in, even more important is the fact that it's become an interagency cooperation so that it's not just silos of DPW doing one thing and Rec & Park doing another. Everybody's been involved in this project. There's tremendous energy behind it. It has a much better chance of actually happening because we have a plan, we have concepts. Everybody's on the same page. There was a bike tour a couple of weeks ago where a bunch of people went down the blue greenway through the shipyard and into the Candlestick Point State Park. It's not an area that any of them had ever been to before but this is what the vision is - that it will connect the City. Without the Port's leadership, without bringing in all the other agencies, without the kind of effort that David had put into it, it would not have happened.

Sally Stevens, Chair of San Francisco Dog Owners group, indicated that this is the first they've heard about this project and would like to be involved in working with the Port in the future. There is a tremendous need for spaces for people to be with their dogs, especially off leash areas in the city. There are at least 120,000 to 150,000 dogs in the city. She encouraged the Port to include spaces for that when planning for those individual sites. There is a tendency to think of vulcanization of things - this is a dog area, this is a plant area, everything is divided. She encouraged the Port to think along the terms of the Dubois park model where there isn't an off leash area but it is considered a multi-use area. There are people who walk their dogs, have their dogs off leash, people sunbathing without dogs, people playing Frisbees with or without their dogs, etc. That's a multi use, shared use that we should be looking for. This is an opportunity where we can do more of that. She encouraged the Port to think about site furnishings and to include water fountains for dogs as well and to not forget about poop bag dispensers. They are willing to work with the Port and help on this project. Years ago, Warm Water Cove was being discussed as having an off leash area. She doesn't know what happened with that over the years. At the time, it was not an area where anybody wants to spend much time. Nowadays, it's being fixed up and people are interested. They are very interested in being involved in any of this. She's a major park user that's very often been forgotten in this kind of planning.

Commissioner Katz indicated that she left the Board of Supervisors. She was the one who pushed for Warm Water Cove, which at the time was a rundown

piece of property, to become a dog park; she's not sure how it didn't happen. It struck her that this is a wonderful opportunity to create space for dogs and their people. One of the things they discovered when they were reviewing Warm Water Cove as a possible option for offsite dogs was it made neighborhood safer and also attracted more people to the site. When there's a critical mass of people particularly people with dogs, it encourages more businesses to locate nearby and made for much greater use for sites by not just dogs and their owners but also for others in the area because it increases the safety and the population that would go to a space. She commended David Beaupre and others who worked on this project and Commissioner Brandon. It's absolutely stellar. To Sally Stevens' point about fountains for dogs, that is included in the site furnishing discussion. It did include dog fountains. Such tremendous thought has gone into the project. It is beautiful. She keeps thinking of all the other cities that are known for their walkways, the river walks, etc. This could become one of those signature sites for San Francisco. San Francisco has so many. This could be another in San Francisco's arsenal of beautiful sites. She commended everyone on the wonderful work that has gone into it. She hopes there would be opportunities for dogs to have some space at the site. She noticed that there is some reference to that as potential projects but on Section A3 none of the sites under the passive recreation was checked off for any of the proposed location.

David Beaupre replied that there are opportunities. We've gone through the design at Heron's Head Park. We're going to include a dog run there; it's not exactly what had been identified but it was an opportunity that came up through the community design process. Once we prioritize the projects, we will take them individually and work through a community planning process again to identify what is the best mixed of uses and how to design the parks. There's still an opportunity to include those types of uses.

Commissioner Katz confessed that when she was working on Warm Water Cove, she was hoping it would be called Katz's Dog Park.

Commissioner Lazarus seconded Commissioner Katz's comments about the work that has been done. It's amazing. She doesn't know where the patience comes from to work with all the different agencies and different communities. These are just incredible guidelines. She knows that it will lead to great implementation. This would just be another great landmark. She asked about Pier 70, Crane Cove and slipways that make those projects so expensive - $30 million and $15 million.

David Beaupre replied that the numbers for Pier 70 open spaces in general came from comparables around the bay area and the cost. When we came up with some of the costs through the development of the Pier 70 master plan, we were not certain of the environmental subsurface conditions. Some of the cost includes the escalation. At each of those sites, the shoreline

conditions are unique. The costs are escalated because there are environmental subsurface conditions, sediment issues, and historic resource issues. We hope that as we go into further design for each of those phases, the costs will come down as more information is developed.

Commissioner Ho indicated that staff has identified future resources. She asked about the real estate forecast of how long it would take to get the remaining projects funded and how long it would take to complete those projects.

David Beaupre replied that we hope that at the end of 2014 or maybe a little bit into 2015, we will have most of the projects completed. With the Prop A Clean & Safe GO Bond funds, there is a timeline on when we need to spend them, which is three years from the time that the bonds were issued. We're scheduled to issue the last set of bonds sometime next year that might bring us into 2015. Through this interagency effort, we have been working with Rec & Park, the Planning Department on how the city pursues open space grants and how to most efficiently use the resources to get additional funding and to make certain that we don't compete against one another for open space funds so that the city can prioritize its project based on the criteria of the grant. The California Coastal Conservancy and ABAG have been great partners in helping the Port fund some of the projects. Some of the bigger costs not included are the transportation costs. The ultimate concept for Cargo Way is approximately $17 million. Fortunately, we have the Mayor's office, DPW and MTA to buy into the importance of the project and we're pursuing federal funding for those projects. Hopefully it can happen incrementally. We think we will have a big bang that will happen next year and additional work into 2014. Hopefully we'll get the voters to pass another parks bond and be able to fund more of the parks.

Commissioner Ho asked if it's safe to say that over 10 years this project would be completed. David replied that he hopes it would be 10-15 years.

Commissioner Katz asked if there is any way to come up with some funding through the development of the Pier 70 area as we move forward on that project and to have some overlay and funding for the work alongside that defined area.

David Beaupre replied that the funding for open spaces are delivered through multiple mechanisms such as grants, GO bonds and development projects that either include them as part of their development or pay into impact fees. As part of the waterfront site, there is the slipway park, the other 4 acre parcel adjacent to the shipyard but within the Forest City ENA area. We hope that as part of that some of the open space will be funded as well. We are also working with the Planning Department to capture some of the eastern neighborhoods open space impact fees.

Commissioner Brandon thanked David Beaupre for doing a wonderful job over the last 3 years of spearheading the blue greenway project. It was just an idea on everyone's head and he took it to another level that we never thought we would see. She thanked the Neighborhood Parks Council and Corinne Woods and David Beaupre working with all the citizen advisory committees, interested citizens and other city departments in bringing consensus and bringing this project along. David has done a phenomenal job. She looks forward to the next round of community meetings which she's sure will be just as positive. It's amazing how so many people have so many different opinions of what should happen and when it should happen. David has done a great job of leading everybody along and coming up with a plan.

10. FINANCE & ADMINISTRATION

A. Informational presentation on the San Francisco Local Hiring Policy for Construction.

Elaine Forbes, Deputy Director, Finance & Administration, indicated that today's presentation is regarding the San Francisco Local Hiring Policy for Construction which took effect on March 25, 2011. It's a very significant policy change for the city. Guillermo Rodriguez from the Office of Economic and Workforce Development will present the policy to the Port Commission as well as the implementation plan. The city has put a good deal of effort into providing guidance to contractors for the implementation of this policy and in the development of the implementation plan. All of Public Works Chapter 6 departments including the Port have provided staff support to this effort including Tim Leung of Engineering and Trisha Prashad of Special Projects. The policy will be subject to periodic review, judge its effectiveness. We anticipate that it will enhance our own ability to implement local hiring through our public works project. The Port Commission has already approved five advertisement for bids that are subject to this policy. We anticipate $35 million in public works spending in the next six months.

Guillermo Rodriguez thanked the Port Commission for the opportunity to present a rather complex policy but a timely change to San Francisco's local hire policy. As Elaine Forbes mentioned, projects that the Port is considering are subject to the new policy. It's been a daunting effort on the part of multiple departments to try to pull together a seamless program that will benefit San Francisco residents by seeing an increase in their participation on construction projects.

San Francisco has had a policy on local hire in place dating back to the late 1960s, early 1970s. It had periodic changes over time. In the last three years, a multitude of issues pressed the Mayor, the Board of Supervisors, the community, contractors, employers and others to rethink the policy in San Francisco, certainly the high numbers in unemployment in San Francisco particularly in the construction trades. Certain sectors of our community such

as the southeast have high double digits in unemployment that was a big issue. There was a demand on how we address those issues. We often go back to San Francisco voters asking them to approve revenue bonds and we make a linkage between jobs and the revenue bonds. A lot of folks are beginning to ask where the linkage is. They see the projects but as a voter or a resident of San Francisco, as a property owner, how do they make sure that their families and communities are engaged in the process. Equally, we recognize that there are other challenges, major development projects were coming before the board with jobs as the primarily reason for why they are essential to San Francisco. The board recently passed projects such as the Hunters Point shipyard, Treasure Island and Park Merced. Jobs are a major contributor as to why it was a good public policy to move those projects forward. Folks are looking for the connection on all of these. Ultimately, given the challenges that various constituencies had in San Francisco we began to see that there was some significant public protests on the job sites, construction sites. We saw delays of construction projects costing both the city and contractors resources that were very limited. We saw a lot of concern at the Third Street corridor.

All of that is the background as to why San Francisco embarked on a little over a year long process to rethink San Francisco's local policy. With assistance from the Evelyn and Walter Haas Fund Foundation, and San Francisco Foundation, they supported the Office of Economic and Workforce Development and the San Francisco Redevelopment Agency to embark on a process to bring stakeholders together, community leaders, employers, labor, all the various city departments that do public works contract to engage in a debate or dialog to see if we can form a consensus on how we move from good faith which was the older program to one of mandatory. How do we measure good faith? We would get many different opinions. There was a movement to quantify San Francisco's participation in a much harder way. Those were the genesis for the legislation.

On March 25, 2011, San Francisco's new policy went into effect. It's one of the strongest policies in the country. It was also designed to generate economic opportunities, designed to build a pipeline so that we can get more San Francisco residents into the trades and develop careers in construction. It's not about getting somebody a job across the street from where they live. It's about giving them an opportunity to have a career in construction and recognizing that in a regional economy. The controller's office came up with two numbers that are important; i.e. in a typical year when this policy is in full effect, that at the 50% level, they estimate on an FTE basis about 335 unemployed San Franciscans would be fully engaged. The revenue growth of having more San Franciscans working on public works project its anticipated that it would generate an additional $177 million over the next ten years in general fund revenue.

Comparison and contrast between the old policy, which was good faith and new requirements. The new requirement is a mandatory program. In year 1, it has a 20% requirement that all public works contracts subject to the new ordinance be performed by San Francisco residents and 50% of the apprenticeship opportunities be performed by San Francisco residents, calculated by trade. The mandatory percentages increase over time, year 1 all the way to year 7, to reach 50%. It's a 5% acute growth over the years. In year 3, there's a complete dead stop to the growth. There will be a periodic review. The controller's office and OEWD will do a labor market analysis to look at the supply and demand issue in San Francisco and to see if there truly is enough supply to justify growth in the mandatory numbers going up. If we find that the supply just isn't there, we've not been able to move that supply, clearly making it a requirement to go higher is unworkable so it wouldn't go up. If the economy completely turns around and the construction trades, the building trades are all doing private/public work and we're back in the good days, conceivably, we might decide in year 3 that the supply is so limited now because the economy is doing well, that the mandatory numbers may drop. We try to decide this looking at realistic market conditions.

With regards to coverage, the old policy looks at only San Francisco. The new policy looks at properties and projects that San Francisco manages in and outside of our city limits. Hetch Hetchy is one area, coming from Moccasin all the way to San Francisco, we want to look at for potential opportunities. In San Mateo County, we have an airport, a San Bruno jail, a Sharpe Park and other facilities that traditionally were not looked at. We wanted to look at those opportunities and also share the concept of what local means. Much of the construction projects that San Francisco has outside of the city also impact other communities. We want to find a vehicle to provide those communities that are being impacted by construction that San Francisco is doing with opportunities to participate on those projects. We define local hire in the region to encompass those communities that are impacted by that construction.

The policy also shifted responsibility for management. The original Chapter 6 program, good faith program, was managed by the San Francisco Human Rights Commission. It has now moved over to the Office of Economic and Workforce Development. This is part of a larger conversation that the board and the administration had in terms of trying to centralize workforce services. The board passed legislation earlier to consolidate those things so we have a centralized planning and economic development process.

There are penalties if a contractor is unable to meet the program. The old policy was disbarment i.e. contractors could not bid for public work if they fail to meet the good faith program. Under the new policy, the penalty would be forfeiture of pay. If the contractor is unable to meet the 20% requirement in year one e.g. if the contractor achieved 15% and they're shy of 5%, we calculate those hours by the particular trade and multiply it by the prevailing

wage rate and that would be the penalty for the contractor. At the same time, OEWD recognizes that if a contractor is penalized, OEWD failed. OEWD's mission is to help San Franciscans gain opportunities, get a job and build a career. If they go down a path of penalties, then OEWD failed. OEWD created various pathways that contractors can employ in order to avoid penalties and help the city grow a pipeline. They can sponsor new apprentices. If a contractor is unable to meet the 20% requirement in a particular trade but informed OEWD that they're willing to sponsor an apprentice, they would waive the 20% requirement as they help OEWD build a pipeline of San Francisco residents in a particular trade. If a contractor says he can't have some of the San Francisco employees work on certain projects but have two other projects they can work on, they can get offsite credits. OEWD's interest is to see workers continuing to work not just on one project but building a career on construction. They recognize that there are particular trades that are so highly specialized that the supply is so limited that having a requirement for those particular trades doesn't make sense. OEWD created waivers to look at particular trades, cross them off the list and won't focus on them as they are highly specialized jobs. OEWD will look creatively about hiring and retaining apprentices and build a pipeline in the construction industry as a way to avoid penalties/opportunities. There was no an engagement for the community based organizations in the older policy. In the new policy, there is a city build network of community based organizations that we contract with either to provide grants directly to or contracts to support this effort in building that pipeline of highly qualified, highly skilled and experienced San Francisco residents in the trades.

San Francisco has properties and construction projects throughout the larger region. The board and the administration felt that there should be an opportunity to create reciprocity agreements. There are many municipalities around the region that have local hire requirements but we don't work together very well. We can create reciprocity agreements so we can begin to share as we are looking for same opportunities to provide pathways for our economically disadvantaged residents to gain careers in construction. We created reciprocity agreements. Within the first three months of this legislation, OEWD entered into negotiations with San Mateo. The San Mateo Board of Supervisors and the San Francisco Board of Supervisors unanimously passed a reciprocity agreement that would impact San Mateo and San Francisco counties particularly for work that we do there. It's an example of what we are trying to do and recognizing that we have partners in the region. We recognize that we are asking the contractors to do a lot. We are asking them to step up. We are asking them to participate in things that they might not have historically thought about. To incent the market and to try to help build a greater pool of pathway for more San Franciscans, the board and the administration felt that there should be pathways to incent that market. There are two opportunities in the legislation to help incent that market: (1) non-financial incentives - working with individual contracting departments to figure out what those would be; and (2) the board authorized

that up to 1% of the total contract value could be used as a cash bonus incentive for a contractor that meets and exceeds the mandatory hiring requirement.

In terms of compliance reporting, they looked at using more online reporting and an annual report to the board and to all the other departments that are participating. We've made a lot of changes to the bid process. The fact that we are implementing a new policy gave us an opportunity to rethink the bidding process in San Francisco and try to find opportunities to streamline it to make it easier for contractors to bid public works in San Francisco so that some of our social policies do not become a huge burden on them in terms of being able to perform public work. We streamlined the process and made it easier for contractors to bid.

With regard to implementation, Mayor Lee gave the OEWD team the marching orders on how to go out and implement this. He wanted to implement this but that it wasn't going to cost the city a lot of money, use existing resources, reduce administrative burden and generate more opportunities for San Franciscans. The implementation was a collaborative effort among all of the Chapter 6 departments. Elaine Forbes mentioned the Port employees who participated with OEWD. Elaine Forbes and Director Moyer also participated on the policy committee. The ongoing presence of all the department heads to make sure we are moving in the right track was beneficial. We've done a lot of outreach to contractors, to labor and to the community so that we can have a transparent process of how this works. We've had public hearings in City Hall to provide opportunities for the public to comment on all of the individual documents and policy and the perspective we are trying to take in this effort.

The policy is new. It does not apply to projects that were already bid or projects that fall under project labor agreements. The San Francisco PUC has a project labor agreement. The San Francisco Airport has a project stabilization agreement. Any projects that are advertised, bid out under those two agreements are not subject to the mandatory requirements. The city gets a lot of federal, state funds and if those agencies expressly prohibit local hire, then the mandatory program does not apply.

The construction projects for the America's Cup not directly bid by the City will not be subject to the mandatory policy. We would be using good faith in terms of those programs.

In talking to contractors and to labor, we are creating a new mechanism, new issues and new challenges but is there a demand. In the city's 10 year capital plan, the city is looking at spending $32 billion worth of construction costs. There are definitely opportunities. The value impacted by the new legislation in the next ten years would be approximately $10 billion, which is 30% of the entire value. We've asked departments to provide OEWD an estimate within

the first year or 18 months of the different projects that would be impacted by the new legislation. They've estimated about 128 projects, shy of half a billion dollars in project engineer's estimates that would be subject to the new policy. There are about 13 projects that have been bid out since the new policy went into effect.

We're asking contractors to pick up more San Francisco residents but at the same time, San Francisco needs to ensure that our residents have the requisite skills, experience and training necessary in order for them to be successful workers on the construction projects. The city for the last six years has dedicated a lot of resources to building that pipeline through the City Build Academy. They run 2-3 intensive classes a year. They are a pre-apprenticeship program. The apprenticeship programs are high level training. They work with economically disadvantage folks to get them engaged and skilled up so they have an option to gain in this aspect.

In the last few years, OEWD referred over 2000 San Francisco residents to private/public projects in San Francisco under the good faith program. Women are not highly represented in the construction industry. The percentage in women participation in San Francisco is very low. They have made a significant effort to increase that. In the City Build program, they produce about 80% of all of the new apprentices coming in to the building trades. They are graduates of their program.

It's partnership they have with departments like the Port. They do a lot of work to be creative in up scaling their current employees so they can be successful on the job site. They've partnered with BAE Systems, a Port tenant, and they've done an amazing job to upscale local residents who work for BAE to do more of the complex work they're engaged with. They've worked with the sheet metal union in the city to give them an opportunity to participate in this training for the current San Francisco members so they can upscale. It's not about just looking at brand new folks but up scaling San Franciscans to be able to do this. With regards to the BAE partnership, a San Francisco resident needed one last piece of certification, i.e. training on welding. Because of the training that he's done with the Port, BAE & OEWD, he has now been successfully admitted to the boiler makers union, which is a tough union to get into. It's positive in terms of the joint work they do with the Port in up scaling and building up.

There will be challenges. There are going to be obstacles. The upside that Mayor Lee has made very clear to all the department heads who participate in the program is that we have to be flexible. If we figure out along the way, it's not working, we need to rethink our policies and procedures and make those changes. Ultimately, we want to see more San Franciscans working and not necessarily projects being delayed.

Commissioner Katz thanked Mr. Rodriguez for his presentation. With regard to up scaling, given that welding and other related jobs are tied to that, she asked if are there any other areas associated with primarily Port activities that we can look at as a potential for up scaling.

Mr. Rodriguez replied that's a conversation they are having with PUC. Yesterday, they spent time in San Ramon talking to the laborers union. Last week, they talked to the operating engineers, carpenters, pile drivers, all trades that touch Port work about up scaling. There's so much pressure about getting new folks into the trades. So many people are on the out-of-work list. There is a lot of upcoming complex work. PUC is funding the operating engineers to think creatively about work at the Calaveras dam. There are no operating engineers in the bay area to do a lot of the required work. We are working with PUC to put additional classes together for the existing bay area members to be able to participate. It's the same situation with the pile drivers because there's not a lot of San Franciscans in that trade. The upside is that we have a partner trade with the carpenters. We've spent a lot of time talking to them about creatively looking at existing Local 22 members who might be interested in moving over to the pile drivers union in order to perform the work. We've been working with a couple of fiber contractors successfully where folks moved from the carpenters union, courtesy transfer over to the pile drivers and they have been piloting this effort with the Exploratorium project at the Port. It's about looking at pathways in and also providing opportunities to up scale current members so they can take advantage of upcoming work.

Commissioner Katz asked if there are any other potential entry position jobs that are created that are unique to the work at the Port e.g. pile driving and underwater welding.

Guillermo replied that a lot of the work that the Port touches is work that we see in other areas. Some of the trades that had been partners with the city for a long time, labor's union, carpenters, are great entry opportunities for folks to engage. At the same, we've had conversations with labors about some of the technicalities of working above the water. Workers comp issues for contractors performing work over the water is very different that when you move 20 feet inland. We're thinking creatively with labor and employers at the table in order to find pathways and opportunities. If a contractor performing work above water at the Port may not have an opportunity for someone new, we may not want to put someone new in a very dangerous situation. If they have work for a new employee somewhere else in San Francisco or other parts, we could give them credit. We are trying to manage concerns from employers who want to be able to have a pipeline and from the community who wants access. The data indicates that there are a lot of retirements. We are looking at opening up new opportunities and do it in a unique and successful way.

Commissioner Katz noticed earlier in the presentation that there was a reference to some of the training at City College. She asked if there is a formal partnership that enables some of the training to occur in partnership with the unions and the program through City College.

Guillermo Rodriguez replied that the City Build Program is a collaboration between labor, community based organization and City College is our primary training partner. We perform a lot of training at the Evans construction campus and the Bayview. A lot of the training is done during the day. We've partnered with the ironworkers and did a program with them called the gladiator training where we take a lot of the program graduates. The union takes them to a state of the art facility in Benicia. Because there was a huge supply problem with folks and the ironworkers who know how to tie a rebar, they partnered with OEWD to up scale working with City College, the unions, etc. to be creative in how we do those things.

Commissioner Brandon commented that this is a wonderful policy. She asked how it's going to be tracked and reported.

Guillermo Rodriguez replied that currently with all the public works contracts, contractors are required to submit certified payroll. San Francisco is one of the unique municipalities in the state that requires that be done electronically. We have real time data from our contractors on an hourly basis by San Francisco residents or wherever the workers are from. We are using the data they already submit for prevailing wage projects as our vehicle to be able to measure this. Some of the changes that we made in the implementation is that what we promised both departments and contractors that we would be issuing a monthly report card so that a contractor is never surprised as to where they are in their performance. If along the way the project changed, e.g. if there was a challenge or issue, we would sit down and rework the numbers and create plans. The idea is not to go down a path where you're catching somebody on the back end and never working with them during the process. We don't want surprises. We think there are enough built-in mechanisms to avoid those kinds of surprises but we will be using certified payroll primarily to track and monitor.

Commissioner Brandon indicated that she read in the report that a person only has to live in San Francisco for 7 days in order to be eligible for this program.

Guillermo Rodriguez replied that when they developed the ordinance they spent a lot of time with the city attorney's office to come up with a concept on how to describe residency. We can have multiple residences but we can only have one domicile by law. We used the state's definition of domicile which is used in San Francisco for voting purposes, etc. You can establish domicile in any jurisdiction but you can only have one domicile. There's a lot of case law, there's a lot of history that helps interpret what that means if we are ever in a

situation where an individual is not domiciled in San Francisco. There's a lot of good case law that has already been litigated and looked at in terms of trying to provide those litmus test of what's required in order to assure your residency or you're domiciled in San Francisco.

In terms of penalties, Commissioner Katz asked if the forfeit of pay is enough of an incentive to the contractors and in the scheme of things it's a relatively minor cost.

Guillermo Rodriguez replied that it depends on the size of the project. For example, in a $120 million project, half of it is labor cost. It could be $60 million worth of labor on any given project. It could add up. Contractors are making profit but at the margin. They don't need these kinds of penalties. It's different than what we have before. In the old policy, it was $5,000 per incident and it's not tied to particular missed hours, etc. It's one lump, liquidated damage figure in the policy. The new policy is tied to contractor's performance.

B. Accept the staff report on changes to the Port's Biennial Operating and Capital Budgets for Fiscal Years 2011-12 and 2012-13.

Elaine Forbes, Deputy Director, Finance & Administration, indicated that she will present an overview of the budget process, review the Commission approved budget from February for Commissioner Ho and Supervisor Katz' benefit and Meghan Wallace, budget manager, will go over the changes that occurred after the Port Commission approval which the Mayor and the Board of Supervisors implemented.

The Port Commission approved the budget in February and it was sent to the Mayor's office thereafter. In May, the Executive Director made a presentation to the Board of Supervisors and they made modifications to the budget and did a line item review, made cuts and add backs. In June the add backs were implemented along with the general fund departments. Currently we are operating on an interim budget which is what the Mayor's Office sent over to the Board of Supervisors for review. The Board will review the final budget which has already gone to the Board of Supervisors Finance and Budget Committee review and potentially make amendment. By charter, the Board of Supervisors will approve the budget on August 1 and then the Mayor will then sign the budget. At this point, we don't anticipate any additional changes from what the Port Commission will see today.

In February, the Port Commission approved a total budget of $89.9 million which was an increase of $3.9 million from last year. We had modest revenue growth going into this year. The primary driver of growth is parking from the implementation of our credit card and parking meters. The largest driver of lost is commercial rents from known large tenants who are leaving and from development projects. Our expenditures grew primarily to fund capital. We

had new sources in capital from defunding projects and also from the Transbay cable revenue. We matched our modest revenue growth with modest operating budget growth. We were able to afford new debt service for the cruise terminal project and four new critical operating budget positions. We were able to do that by scaling back our annual projects and our work orders to other departments, many of which are one time in nature. Our modest revenue growth is matched by the modest revenue expenditure growth. Our revenue is growing faster, $2.2 million than our operating expenses of $1.9 million. The new sources of capital funds were derived from defunding a capital project, the Transbay project, the reduction of annual projects and the growth in capital appropriations.

For the second year, it's more challenging for staff to present a positive financial picture because our revenue growth is even flatter going into year two, less than 1 percent and we have growth in labor costs due to the end of the negotiated reduction and increase in fringe benefit cost. The operating budget grows faster in the second year than our operating revenues. This has two negative impacts to the Port. We are running an operating deficit but it also reduces our sources for capital. Year two is more challenging because the one time reductions we were able to take in annual projects and work orders are not easily available to us. Luckily we have next year to review this budget and make decisions to present a better picture. For year two, revenue growth of $452,000 is far lower than our operating expense growth of $2.8 million. Our available sources for capital are down $4.6 million. This is a trend we will need to reverse.

In April of this year, Port staff presented the 5-year financial forecast to the Controller's Office. Year 2 is similar to what the five year forecast shows. Our revenues, while they will grow at a rate of 2.5%, are strongly outpaced by expenditure growth again driven primarily by fringe benefit cost increases. The two impacts from this trend are (1) operating deficits throughout the 5 year forecast but in year 5 it's going to $1.1 million and continued reductions and our sources available for capital is as low as $6 million in year 5 which we would not consider even enough to meet our basic requirements. Luckily when you project out a trend we are able to know how to correct it. We have several plans to correct the trend such as preserving revenue sources, relying on the city's effort to control benefit cost and reducing non personnel costs wherever possible, continuing to look at work orders to other departments that are one time in nature and other non salary expenditures, programming our capital dollars for the most efficient uses possible specifically those that generate revenue for the Port and being very judicious in our use of our revenue bond program and expanding other sources of capital. Mr. Beaupre talked about grant sources, developer fees and new GO bond request to the voters to fund park improvements and continuing to draw on other sources of revenues.

Meghan Wallace, Budget Manager, indicated that the budget has changed as a result of further review by Port staff as well as the Mayor's budget office and the Board of Supervisors. FY 2011/12 budget is now $91.7 million, a $1.8 million increase from the $89.9 million budget the Port Commission approved. The FY 2012 budget is now $88 million, a reduction of about $12,000 from the budget the Port Commission approved. For both of those years, the change was a reduction on the operating budget and an increase in capital expenditures, specifically in FY 2011/12, there was a $2.3 million increase in capital largely as a result of updated fund balance projections based on current year savings as well as revenue projections. We were able to improve our fund balance numbers as well as defunding additional capital projects that have been slated for other uses in previous years. Revenues have not changed at all. Rather than go into the details in the staff report, she talked about the changes in three main buckets: Port Staff, mayor's budget office and the Budget & Finance committee changes for the Board of Supervisors. The first change is that the Police Department work order has been increased to include one additional officer to cover the Port's property particularly during evening patrols and for major events such as America's Cup. We want to be prepared to have additional police staff on our property. Our annual projects increased by $101,000 for the annualization of the youth employment program as well as the Heron's Head Park which increased by $35,000 for the AmeriCorps program. As mentioned earlier, our capital program increased. The two main projects that Port staff added were the cruise terminal project and the stabilization of Building 113 on Pier 70. The Port Commission is well aware of the cruise terminal project. Unfortunately we hadn't included it in the original budget; that's one of the main sources of using the new fund balance that we identified as well as defunding projects from previous years that went into supporting the cruise terminal project ($1.35 million) and $1.12 million for Pier 70 project.

The Mayor's budget staff saw our budget on a high level so they implemented changes like identifying citywide mandatory fringe costs. All departments had savings rolled through depending on the labor groups. We did see some savings as a result. The Port benefitted from a savings of $100,000 by not having to pay COWCAP this year as a result of overpaying in previous years. Changes were made to work orders e.g. citywide project cost such as eMerge and IT infrastructure for the city. The radio debt service work ordered to DEM was taken out of our budget for FY 2011/12 and FY 2012/13 because there had been previous funding sources for those costs. The Port is not able to cover that.

Board of Supervisors changes – Elaine alluded to the reductions and the add backs that were made. For the reductions, the budget and legislative analyst identified expenditures within the Port's budget that they could be cut back and reallocated to different uses. Of the operating cost reductions that were made, the Board of Supervisors primarily reinstated those funds in capital specifically into the cruise terminal project.

The other expenditure was in the operating budget with the addition of the America's Cup project manager. The budget and finance committee of the Board of Supervisors has approved the budget and it's now before the full Board of Supervisors. They will be hearing it twice through the end of the month. It has to be approved by August 1, 2011. We don't expect there will be many changes and if there are changes they will be applied to our fund balance or to our cruise terminal project.

11. NEW BUSINESS

12. PUBLIC COMMENT

Captain Maury Polse, indicated that he's come a long way since Mayor Brown came to bat for the little guys at the grotto. This is the fifth time he's addressed the Port Commission but would rather not elaborate on the details of irritation other than begin with the quote from the Declaration of Independence, "You've sent a swarm of bureaucrats to eat our sustenance." These men and women have big important jobs. They receive their pay for keeping the machine running. They don't produce the life blood that is the economy. They create no jobs other than more and bigger bureaucrats. They thrive by squeezing those who risk their work and fortunes out in the real world where failure means disaster. They thrive by regulating, controlling, bleeding the hardworking men and women of the wharf. They discriminate in their application of the rules and regulations set forth by this body. Most obey, a few don't have to. Rather than promoting an atmosphere reflecting the nature of life from and about the city, our Fisherman's Wharf has become a cheap carnival of music so loud the content is unrecognizable where the sound was acoustic instruments and the barking with the syncopated rhythms of expert crab cracking. The hungry tourists have to yell over the blasting of generator powered wannabe rock stars. Rather than an enjoyable, educational stroll, conversing with the men and women working the front line fishing fleet, our visitors are made the source of cruel entertainment for a hyena like sidewalk choking crowd getting scared out of their wits by David Johnson, sitting under a sign that quotes your regulation of loud activities. His last plea before this body included a declaration of rent strike. In a city famous for strikes by working men and women, it seemed a good idea for a last ditch effort for the Commission's attention and help. The drought over the last few years and his small withholding was not enough to stimulate any action for remedy. The Commission, rather than perform the function as fearless leaders of the third most visited tourist destination in the world, they have sent their bureaucratic dogs on him for his money or for his departure. His attorney advises that his protest is a lost cause. So on deposit to be paid before the end of July is the money including late fees to even the account. Congratulations to the Port, you win. His need to make a living has superseded his huberous. In closing he quoted from Black Bart, "I've labored long and hard for fame and riches for too long, you've tread upon my corns you fine-haired sons of bitches." Thank you for nothing, Sincerely Maury Polse, Captain Merchant Marine of the USA.

Andrew Waters indicated that he is a co-owner of a pedicab business in San Francisco. He's been doing pedicab for 6 years in 7 different cities. There is a serious issue in the pedicab industry in San Francisco. He has his own personal projects that are tied into the America's Cup, blue greenway, Pier 70. He has his own interest in the industry that is separate to what's best for the industry but they are very similar. In the last three weeks, there is a business that came from San Diego bringing a modeled pedicabbing which is the worst thing possible. Two people have died on a pedicab one in San Diego due to faulty driver training and another in Seattle for improper equipment. San Francisco had three companies start up in the last two years after about 20 years of having one company. The Port has not enforced any of their rules on pedicabs. The last three weeks, they have run up and down the Embarcadero, charging tourists exorbitant rates without any kind of licensing let alone the charter that every pedicab company has to sign into for the Port. He asked what the Port is going to do about enforcing the rules for pedicabs. If they are entering into a contract that is relatively expensive compared to other cities in U.S. why should they enter that contract if they know it's not being currently enforced. The San Diego company is bringing kids from South America on green cards. They charge them exorbitant rates to drive people around. They don't speak English. They don't have driver's licenses. He's vested in this industry and it's something that he will do for the rest of his life. With the America's Cup, there will be a significant demand for people doing this. The infrastructure needs to be there. He's working with folks in the people plan, Peter Albert, people from the Port and people from MTA to work on pushing something that will make this industry safe and an example for the future. Embarcadero is the best place to pedicab in the world.

Eddie Ann, Brightline Defense Project, indicated that he was pleased to see a discussion earlier on San Francisco local hiring policy for construction. Following up on this discussion of keeping jobs local, he asked the Port Commission what steps are being taken by the Port to keep ships from the ghost fleets in Suisun Bay for dismantling in San Francisco instead of shipping these ships through the Pacific Ocean, through Panama, to Texas. As staff is aware the ships are power washed in San Francisco but the work of dismantling them is actually done by non-union contractors in Brownsfield, Texas. He asked staff to tell the Port Commission and the public what staff has taken to keep these jobs local.

13. ADJOURNMENT

ACTION: Commissioner Ho moved approval to adjourn the meeting; Commissioner Crowley seconded the motion. All of the Commissioners were in favor.

Commission President Brandon adjourned the meeting at 5:40 p.m.



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NOTICE OF CANCELLED MEETING

THE AUGUST 9, 2011 REGULAR PORT COMMISSION MEETING HAS BEEN CANCELLED

A SPECIAL PORT COMMISSION MEETING IS SCHEDULED ON

MONDAY, AUGUST 15, 2011
9:00 A.M. - CLOSED SESSION
10:00 A.M. - OPEN SESSION

Port Commission Hearing Room
Second Floor, Ferry Building
San Francisco, CA 94111

C08092011

FERRY BUILDING:

The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots:

A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.

B) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington, Folsom & Drumm Streets.

Accessible meeting information policy:

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.
A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Wendy Proctor, Port's ADA Coordinator, at 274-0592, the Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance:

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Sections 67.1 et seq. of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Chris Rustom by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at (415) 554-7724; by fax at (415) 554-7854 or by email at sotf@sfgov.org. Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Mr. Rustom or by printing Sections 67.1 et seq. of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.

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AGENDA
SPECIAL MEETING
MONDAY, AUGUST 15, 2011
9:00 A.M.

PORT COMMISSION HEARING ROOM, SECOND FLOOR
FERRY BUILDING, SAN FRANCISCO, CA 94111

PLEASE NOTE THE DATE & TIME OF THE MEETING

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Commission are posted on the Port's Website at www.sfport.com. The agenda packet is also available at the Pier 1 Reception Desk. If any materials related to an item on this agenda have been distributed to the Port Commission after distribution of the agenda packet, those materials are available for public inspection at the Port Commission Secretary's office located at Pier 1 during normal office hours.

1. **CALL TO ORDER / ROLL CALL**

2. **APPROVAL OF MINUTES** - July 12, 2011

3. **ANNOUNCEMENTS**

 A. **Announcement of Prohibition of Sound Producing Devices during the Meeting**

 Please be advised that the ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

B. **Announcement of Time Allotment For Public Comments**

Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

4. EXECUTIVE

A. Executive Director's Report
- City Planning Commission Public Comment Period on the Draft EIR for the 34th America's Cup and Pier 27 James R. Herman Cruise Terminal and Northeast Wharf Project ends August 25, 2011
- Blue Greenway Public Comment Period extended to August 31, 2011
- In Memoriam – Former Port Director/Port Commissioner Eugene Gartland

B. Informational presentation on Assembly Bill 418 (Ammiano) delegating to the California State Lands Commission the authority to realign public trust restrictions at Pier 70 and terminate public trust restrictions on Seawall Lot 330.

5. CONSENT

A. Request authorization to award Construction Contract No. 2752, Pier 35 North Apron Repair Project, to Huey Construction Management Co. Inc. d.b.a. MH Construction Management Co., in an amount not-to-exceed $786,000, and also authorize staff to increase the contract amount by 10% (or $78,600), in the event of unanticipated contingencies, through contract modification or change order for a total of $864,600. (Resolution No. 11-51)

B. Request authorization to apply for, accept, and expend a grant for $5,000,000 from the State of California, Prop 84, Statewide Park Development and Community Revitalization Program of 2008, for the Northeast Wharf Plaza open space, located on Pier 27 at The Embarcadero Promenade across from Lombard Street. (Resolution No. 11-52)

C. Request authorization to advertise a Request For Qualifications (RFQ) Soliciting As-Needed Real Estate Economics and Related Professional Services. (Resolution No. 11-53)

D. Accept the Port's Annual Report on Contracting Activity for Fiscal Year 2010-11 (July 1, 2010 through June 30, 2011).

6. PLANNING & DEVELOPMENT

A. Request adoption of the California Environmental Quality Act (CEQA) Findings and Mitigation, Monitoring, and Reporting Program for and approval of Brannan Street Wharf public open space project, located between Piers 32

and 38, along The Embarcadero, between Brannan and Townsend Streets. (Resolution No. 11-54)

7. NEW BUSINESS

8. PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item and during the new business/public comment period. It is strongly recommended that public comments be submitted in writing so they can be distributed to the Commissioners for their review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

9. EXECUTIVE SESSION

A. Vote on whether to hold closed session.

An Executive Session has been calendared to discuss the following matters:

(1) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.***

a. Property: AB 4052; 4111, Lots 3 and 4; 4110, Lot 1; 4046, Lots 1 and 2; also known as Pier 70 Master Plan Area, located near the intersection of 20th Street and Illinois
Person Negotiating: Byron Rhett, Deputy Director, Planning and Development
*Negotiating Parties: Artspace Projects, Inc., Build Inc. and the Urban Land Conservancy, Development Advisory Services, Equity Community Builders, Forest City Development California, Inc. Kidson Land Company LLC, Orton Development, Inc., Pacific Waterfront Partner LLC, Placeworks LLC,

Under Negotiations: _____Price _____Terms of Payment X Both
The Port recently received responses to a request for interest for the lease, rehabilitation, and development of a number of Very Significant historic buildings within the 69-acre Pier 70 site, located near the intersection of 20th Street and Illinois. In this executive session, the Port intends to seek direction from the Port Commission on the appropriate price and terms of payment for the properties. The

Port intends to discuss factors affecting the price and terms of payment such as adjacent land uses, extraordinary conditions of the site and buildings, and the Port's goals and objectives under the Pier 70 Master Plan, but only with respect to the impact of those factors on price and terms of payment. The executive session discussions will enhance the capacity of the Port Commission during its public deliberations and actions to set the price and payment terms in its solicitation that are most likely to maximize the benefit of the Port, the City and the People of the State of California and/or to more effectively negotiate with the winning proposer(s) on price and payment terms.

b. Property: Piers 19, 23, 26, 27, 28, 29, 29½, 30-32, 80, Piers 14-22½, 32-36 and 54 water areas and Seawall Lot 330
Person Negotiating: Port: Jonathan Stern, Assistant Deputy Director, Planning and Development, and Brad Benson, Special Projects Manager
*Negotiating Parties: America's Cup Event Authority, LLC: Stephen Barclay, Craig Thompson and Patrick Jost

Under Negotiations: ___Price ___Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Piers 19, 23, 26, 27, 28, 29, 29½, 30-32, 80, Piers 14-22½, 32-36 and 54 water areas and Seawall Lot 330.

10. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

11. ADJOURNMENT

Adjourn the meeting in memory of former Port Director and former Port Commissioner Eugene Gartland

FORWARD CALENDAR (Targeted Commission Meeting, Subject to Change)

- Request approval to enter into an Exclusive Right to Negotiate Agreement (ENA) with Kinder Morgan Operating LP, owned by Kinder Morgan Energy Partners LP, to negotiate terms for entering into a lease of Port property to design, finance, build and operate a bulk cargo marine terminal at Pier 96 (September 13, 2011)
- Request approval of the Port's Maritime Industry Preservation Policy (September 13, 2011)
- Request authorization to advertise for competitive bids for the Brannan Street Wharf Project, Contract No. 2726 (September 13, 2011)
- Request authorization to award Construction Contract No. 2744, Roundhouse 2 HVAC Central Plant Upgrade (September 13, 2011)
- Request authorization to award Construction Contract No. 2749, Heron's Head Park Improvement Project (September 13, 2011)
- Request authorization to accept and expend $1,121,795 in 2009 Infrastructure Protection Program Port Security Grant Program funds from the Department of Homeland Security for security improvements at the Port of San Francisco (September 13, 2011)
- Request authorization to advertise the James R. Herman Cruise Terminal Construction Contract Bid Package A - Site, Steel, Enclosure, Elevators (September 13, 2011)
- Request approval of Lease No. L-15004 with Bauer Intelligent Transportation Inc. for approximately 2,500 square feet of office space in Pier 50, Shed A, approximately 40,000 square feet of shed space, approximately 46,700 square feet of exclusive exterior paved fenced area and approximately 3,600 square feet of exterior covered dock space in Pier 50, Shed C (September 13, 2011)
- Request approval of Lease L-14495 with Hornblower Yachts, Inc., a California Corporation, for a Term of Five Years with One Five-Year Renewal Option, for premises located at Pier 9 consisting of approximately 1,198 square feet of unimproved pier shed, 7,243 square feet of apron space and 24,470 square feet of submerged land (September 27, 2011)
- Request approval of the Black Rock Arts Foundation's proposal to extend the Commission approved temporary installation of public art by 12 months until October, 2012, located near Mission Street on the east side of The Embarcadero, on the plaza between the Agriculture Building and Pier 14 (September 27, 2011)
- Request approval of a Sole Source Retail Lease with Bay Natives Lease Number L-15017 for a Native Plant Nursery located at Cargo Way and Jennings Street consisting of 5,700 square feet of paved land for a term of thirteen months (September 27, 2011)
- Request authorization to advertise for competitive bids for Construction Contract No. 2755, Port Security Fences, Phase 3 Project (September 27, 2011)
- Request authorization to award, subject to the Board of Supervisors approval, a five-year lease for surface parking and special events between the Port of San Francisco and China Basin Ballpark Company, LLC, Lease No. L-14980 for Seawall Lot 337, Pier 48 and portions of Terry Francois Boulevard bounded by China Basin Channel, Third Street, Mission Rock Street, and San Francisco Bay (September 27, 2011)

- Request authorization to award Engineering Consulting Services contract for the development of a Building Occupancy Resumption Program for several Port facilities funded through Security Grants (October 11, 2011)
- Request authorization to award professional services contract for media relations services in preparation for the Port of San Francisco's 150th Anniversary in 2013 and in anticipation of the 34th America's Cup being held on San Francisco's waterfront in 2013 (October 11, 2011)
- Request approval of renewal of lease with Aadvark Storage Unlimited, Inc., dba American Storage Unlimited, Inc. for a term of five years with one five-year option for a 6.29 acre parcel on a portion of Seawall Lot 344, subject to Board of Supervisors' approval (October 11, 2011)
- Informational presentation on SWL 337 Associates, LLC's submittal of the Revised Proposal for the development of SWL 337 and Pier 48 pursuant to the Exclusive Negotiation Agreement and consistent with the Request for Proposals and the Financial and Negotiating Principles previously identified (October 25, 2011)
- Request authorization to advertise for competitive bids for the Pier 33 Bulkhead Building Improvements, Contract No. 2743 (October 25, 2011)
- Request authorization to award Construction Contract No. 2723, Pier 70 Building 113 Stabilization (October 25, 2011)
- Informational presentation on the CEQA findings and determination for the 34th America's Cup (November 8, 2011)
- Request authorization to award the James R. Herman Cruise Terminal Construction Contract Bid Package A - Site, Steel, Enclosure, Elevators and request authorization to advertise Contract Bid Package B – MEP & Finishes (November 8, 2011)
- Request authorization to advertise for competitive bids for the Marine Structural Project IV, Contract No. 2754 (November 8, 2011)
- Request authorization to award Construction Contract No. 2755, Port Security Fences, Phase 3 Project (November 8, 2011)
- Request authorization to award Construction Contract No. 2726, Brannan Street Wharf Project (December 13, 2011)
- Request authorization to advertise for competitive bids for the Tulare Park Improvements Project, Contract No. 2753 (December 13, 2011)
- Request authorization to advertise for competitive bids for the Pier 50 Maintenance Storage Shed, Contract No. 2750 (December 13, 2011)
- Request authorization to award the James R. Herman Cruise Terminal Construction Contract Bid Package B – MEP & Finishes (January 10, 2012)
- Request authorization to award Construction Contract No. 2743, Pier 33 Bulkhead Building Improvements (January 10, 2012)
- Request authorization to award Construction Contract No. 2750, Pier 50 Maintenance Storage Shed (March 2012)
- Request approval of a ten-year lease (L-14956) with Paul Johnson, an individual, dba Monterey Fish, of approximately 10,210 square feet of shed space for fish processing and wholesale at Pier 33 (Date to be determined)

COMMUNICATIONS TO THE PORT COMMISSION FROM JULY 8, 2011 TO AUGUST 4, 2011

- From Monique Moyer, regarding Update on Cruise Ship Discharge Report Program
- From Robert McEllrath, International Longshore & Warehouse Union President, regarding the Port of San Francisco Maritime Preservation Policy

SEPTEMBER/OCTOBER 2011
CALENDAR OF UPCOMING PORT MEETINGS – OPEN TO THE PUBLIC

DATE	TIME	GROUP	LOCATION
September 13	2:00 p.m.	Closed Session/Port Commission	Port Commission Room
	3:15 p.m.	Open Session	@ Ferry Building
September 27	2:00 p.m.	Closed Session/Port Commission	Port Commission Room
	3:15 p.m.	Open Session	@ Ferry Building
October 11	2:00 p.m.	Closed Session/Port Commission	Port Commission Room
	3:15 p.m.	Open Session	@ Ferry Building
October 25	2:00 p.m.	Closed Session/Port Commission	Port Commission Room
	3:15 p.m.	Open Session	@ Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the second and fourth Tuesday of the month at 3:15 p.m., unless otherwise noticed. The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com. Contact Amy Quesada at 274-0406. The Port Commission meetings can be viewed online at http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=92. The Port Commission meetings are also broadcasted on the 2nd & 4th Thursday of the month at 9 p.m. on Comcast Cable Channel 26 or Astound Cable Channel 78 (formerly RCN Cable).

The Fisherman's Wharf Waterfront Advisory Group (FWWAG) meets regularly on a bi-monthly basis, on the third Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Michael Nerney @ 274-0416 or michael.nerney@sfport.com

Starting January 21, 2010, the Maritime Commerce Advisory Committee (MCAC) will meet every other month, on the third Thursday of the month, from 11:30 a.m. to 1:00 p.m. @ Pier 1. Contact Jim Maloney @ 274-0519 or jim.maloney@sfport.com

The Mission Bay Citizens Advisory Committee meets on the 2nd Thursday of the month at 5:00 p.m. at 1700 Owens Street, 2nd Floor. Parking validation is available. Contact Catherine Reilly, San Francisco Redevelopment Agency, at catherine.reilly@sfgov.org.

The Northeast Waterfront Advisory Group (NEWAG) meets regularly on a bi-monthly basis on the first Wednesday of the month from 5:00 p.m. to 7:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Jonathan Stern @ 274-0545 or jonathan.stern@sfport.com

The Central Waterfront Advisory Group (CWAG) meets monthly on an as-needed basis, generally on the third Wednesday of the month from 5 to 7 p.m. in the Bayside Conference Room at Pier 1. Contact Mark Paez @ 705-8674 or mark.paez@sfport.com

The Rincon Point-South Beach Citizens Advisory Committee meets on a quarterly basis (the FOURTH MONDAY OF JANUARY AND THIRD MONDAYS IN APRIL, JULY, and OCTOBER), starting at 5:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Contact Catherine Reilly, Assistant Project Manager, Redevelopment Agency, @ 749-2516 or Catherine.Reilly/REDEV/SFGOV@SFGOV

The Southern Waterfront Advisory Committee (SWAC) meets every last Wednesday of the month from 6:15 to 8:15 p.m. Location to be determined. Contact David Beaupre @ 274-0539 or david.beaupre@sfport.com

The Waterfront Design Advisory Committee (WDAC) meets jointly with the Design Review Board of the Bay Conservation and Development Commission on the first Monday of the month at BCDC, 50 California Street, Rm. 2600, at 6:30 p.m. The Committee meets as needed on the fourth Monday of the month at 6:30 p.m. in the Bayside Conf. Rm. @ Pier 1. Contact Dan Hodapp @ 274-0625 or dan.hodapp@sfport.com

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FERRY BUILDING:

The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots:

A) 3 spaces in the surface lot on the west side of the Embarcadero at Washington St.

B) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington, Folsom & Drumm Streets.

PIER 1:

The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Bayside conference rooms. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Bayside Conference rooms.

Accessible meeting information policy:

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Wendy Proctor, Port's ADA Coordinator, at 274-0592, the Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance:

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Sections 67.1 et seq. of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Chris Rustom by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at (415) 554-7724; by fax at (415) 554-7854 or by email at sotf@sfgov.org. Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Mr. Rustom or by printing Sections 67.1 et seq. of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.

NOTICES

Prohibition of Ringing of Sound Producing Devices:

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

Lobbyist Registration and Reporting Requirements:

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

PORT OF SAN FRANCISCO

MEMORANDUM

August 4, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Brad Benson
Special Projects Manager

SUBJECT: Informational presentation on Assembly Bill 418 (Ammiano) delegating to the California State Lands Commission the authority to realign public trust restrictions at Pier 70 and terminate public trust restrictions on Seawall Lot 330

DIRECTOR'S RECOMMENDATION: Information Only - No Action Required

Executive Summary

California's Legislature is considering Assembly Bill 418 (AB 418), introduced by Assemblymember Tom Ammiano, which is an essential step to meeting the Port's goals for the Pier 70 and America's Cup projects. To date, the bill has passed out of the Assembly with unanimous votes at two committees and is now under consideration in the State Senate. Port staff has worked closely with staff of the State Lands Commission on the bill. This Staff Report discusses how this legislation supports the Pier 70 and America's Cup projects.

If enacted, specific State restrictions on use would be reorganized at Pier 70 and removed from Seawall Lot 330 (SWL 330), creating land value to support the capital costs of these two transformative projects. The sites in question are inland from the shore and are not needed to meet the maritime and public benefit goals of the public trust under State law. Pier 70, roughly 60 acres bounded by Mariposa, Illinois and 22nd Streets and the San Francisco Bay, currently has clouded title history that would be rectified by AB 418, allowing future development capable of funding the substantial costs of that project. AB 418 anticipates the sale of the 2.3-acre Seawall Lot 330 (SWL 330), located at Bryant Street and the Embarcadero to support the America's Cup project, as one form of repayment to the America's Cup Event Authority for private investment to prepare the waterfront for the Event.

This Print Covers Calendar Item No. 4B

Public Trust Background

The public trust is a doctrine that originated in Roman law under which the public has certain rights in submerged lands and tidelands. In California, the public trust is administered by the California State Lands Commission and enforced by the California Attorney General. According to the State Lands Commission:

> Uses of trust lands ... are generally limited to those that are water dependent or related, and include commerce, fisheries and navigation, environmental preservation and recreation. Public trust lands may also be kept in their natural state for habitat, wildlife refuges, scientific study, or open space. Ancillary or incidental uses that directly promote trust uses are directly supportive and necessary for trust uses, or that accommodate the public's enjoyment of trust lands, are also permitted.

The Port of San Francisco is self-funded from revenues generated by its waterfront property. The Port's property consists primarily of trust lands granted by the State to the City pursuant to 1968 Burton Act. Under the Burton Act and implementing San Francisco Charter provisions, the San Francisco Port Commission, as trustee of these public lands, manages and develops Port properties for the City on behalf of the people of California. As trustee, the Port is required to manage the lands granted to it by the State for public trust purposes, including promotion of maritime commerce, navigation and fisheries, protection of natural and cultural resources, and development of recreational areas for public use. Certain high value uses, such as residential and general office, are not public trust uses.

Either through general or special State legislation, and with the approval of the State Lands Commission, lands can be transferred in or out of the trust through a "trust exchange," the general criterion being the exchange has a net benefit to the trust. Examples of San Francisco projects benefiting from legislation authorizing trust exchanges include the Watermark condominium development, and redevelopment projects at Mission Bay, Treasure Island, and the Hunters Point Shipyard.

Removing trust restrictions from property that is no longer useful for trust purposes allows the land to be used for higher value uses or sold, each of which create value for the trust. Both the Pier 70 project and the America's Cup project require substantial capital investment. The Pier 70 Master Plan and subsequent real estate development offerings rely on development of non-trust uses to fund the project as a whole. Similarly, the 34th America's Cup Host and Venue Agreement (Host Agreement) anticipates removal of public trust restrictions from SWL 330 and the sale of that property in exchange for major capital investment in pier improvements.

Pier 70

Pier 70 is an approximately 60-acre brownfields site on San Francisco's Central Waterfront. For over 150 years, some portion of this site has been in use for ship building and repair. The federal government controlled portions of the site until 1967. Following an extensive public planning process, the Port published its Master Plan for the Pier 70 area in April 2010. The Port's vision for Pier 70 is to create a vibrant and authentic historic district that re-establishes the historic activity level, activates new waterfront open spaces, creates a center for innovative industries, and integrates ongoing ship repair operations.

The Port acquired a portion of Pier 70 from the State through the Burton Act, and another portion from private parties. Portions of the site are historic uplands that were never submerged lands or tidelands subject to the public trust, and several parcels have been in and out of private, State and federal ownership.

This complicated history creates a patchwork of parcels where public trust use restrictions apply. Market potential and community consensus suggest that cultural, institutional, office, biotech, other commercial, and perhaps a limited amount of other uses, most of which are not consistent with the public trust, should be developed at Pier 70 in areas that are least suitable for public trust uses, as reflected in the Master Plan. Higher land value uses are essential to generating the revenues needed to realize Pier 70's potential and the Port's overarching goals for those waterfront lands at Pier 70 that are useful for trust purposes, and for the rehabilitation and preservation of the site's historic maritime heritage.

AB 418 will authorize the State Lands Commission to effect a public trust exchange within the Pier 70 area to rationalize the location of trust property along the water's edge and promote maritime uses and public access in these areas, and terminate the trust on inland property not needed for trust purposes. For historic buildings remaining in the trust, AB 418 authorizes non-trust uses of historic buildings if necessary to finance rehabilitation of the buildings consistent with federal standards and subject to certain other limitations.

If enacted, AB 418 would authorize the State Lands Commission to approve a trust exchange at Pier 70, subject to certain required findings and conditions, including:

- Lands to be exchanged out of the trust must be found to be relatively useless for trust purposes.
- The monetary value of lands added to the trust must be greater than or equal to the value of lands that are removed from the trust.
- The exchange cannot substantially interfere with trust uses or purposes.
- Lands to be impressed with the trust must provide a significant benefit to the trust and be useful for trust purposes.
- Remediation issues must be addressed by applicable regulatory agencies.
- The State Lands Commission and the City must approve the exchange.
- The overall trust exchange must be in the best interests of the State.

- Other conditions imposed by the State Lands Commission, including approval of surveys and legal descriptions of lands impressed with the trust, must be met.

Subject to approval by the Port Commission, the final trust configuration would be approved by the State Lands Commission. Exhibits A and B show the existing public trust configuration at Pier 70 and, at a conceptual level, the future trust designations.

AB 418 also authorizes the Port to continue to own and administer the lands at Pier 70 that are to be exchanged out of the public trust, free of trust use and alienation restrictions, and requires all revenues and proceeds from those lands be deposited in the Port's Harbor Fund. On these "trust termination lands," the Port will have limited authority to expend Harbor Fund monies to administer the property, secure or service indebtedness for infrastructure development, and rehabilitate historic buildings, all subject to specified requirements.

America's Cup/Seawall Lot 330

On December 31, 2010, San Francisco was selected as the host city for the 34th America's Cup (AC34) – a series of international sailing events – and the City entered into the 34th America's Cup Host and Venue Agreement (Host Agreement) setting out the parameters for the AC34 match scheduled for September 2013, subject to completion of environmental review under the California Environmental Quality Act and approval of the project. In addition to the provisions for the AC34 events, the Host Agreement provides the America's Cup Event Authority with certain long-term development rights as a means for recovering its investment in infrastructure work on Port lands. Subject to various contingencies, the Host Agreement states that if the Event Authority invests at least $55 million in venue infrastructure before the AC34 match, the City will enter into disposition and development agreements with the Event Authority, under which the City will agree to lease to the Event Authority Piers 30-32 for a term of 66 years, and SWL 330 for a term of 75 years and, if the public trust is lifted, transfer to the Event Authority fee title to SWL 330 under a separate purchase and sale agreement.

SWL 330 is the 2.3 acre surface parking lot at The Embarcadero and Bryant Street. Senate Bill 815 (SB 815, Migden), passed in 2007, recognized that SWL 330 was no longer needed for public trust uses and authorized the Port to lease the site for non-trust uses for up to 75 years on certain conditions. SB 815 did not authorize the Port to sell the site, however. Consistent with the Host Agreement, AB 418 would authorize the termination of trust restrictions on SWL 330 permanently and authorize its sale.

AB 418 requires that the sale of SWL 330 be for fair market value, all of the sale proceeds be used for trust purposes, and the Port impress the trust on property not currently subject to the trust that is located on or adjacent to the San Francisco Bay and has an equal or greater land area than SWL 330, as approved by the State Lands Commission. The cost of pier improvements, as provided in the Host Agreement, can be credited toward the fair market purchase price for SWL 330.

Next Steps

On June 28, 2011, AB 418 was heard by the Senate Committee on Natural Resources. With an 8-0 vote, the Committee moved the bill with the recommendation "do pass" to the State Senate Appropriations Committee, which will hear the bill on August 15, 2011. Port staff is working with the author and with State Lands Commission staff on final technical amendments to be submitted prior to the hearing.

If AB 418 is adopted by the State Legislature and signed by the Governor, Port staff will return to the Port Commission to discuss the next steps required to implement the legislation.

Prepared by: Kathleen Diohep, Pier 70 Project Manager
Trisha Prashad, Special Projects Analyst

For: Brad Benson
Special Projects Manager

Attachments:

Exhibit A: Pier 70 Existing Trust Conditions
Exhibit B: Pier 70 Maps Conceptual Future Trust Designations
Exhibit C: AB 418

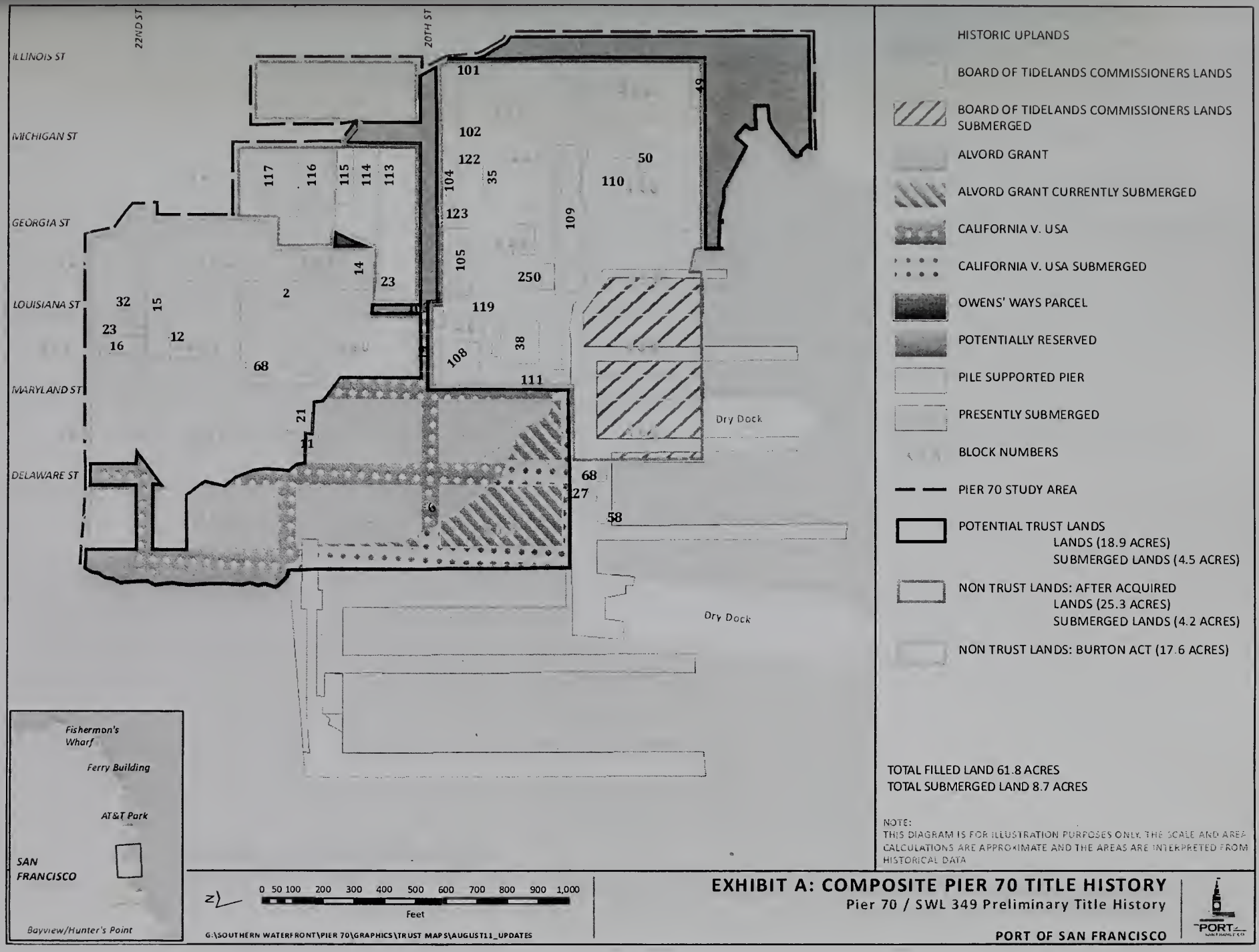


EXHIBIT A: COMPOSITE PIER 70 TITLE HISTORY

Pier 70 / SWL 349 Preliminary Title History

PORT OF SAN FRANCISCO

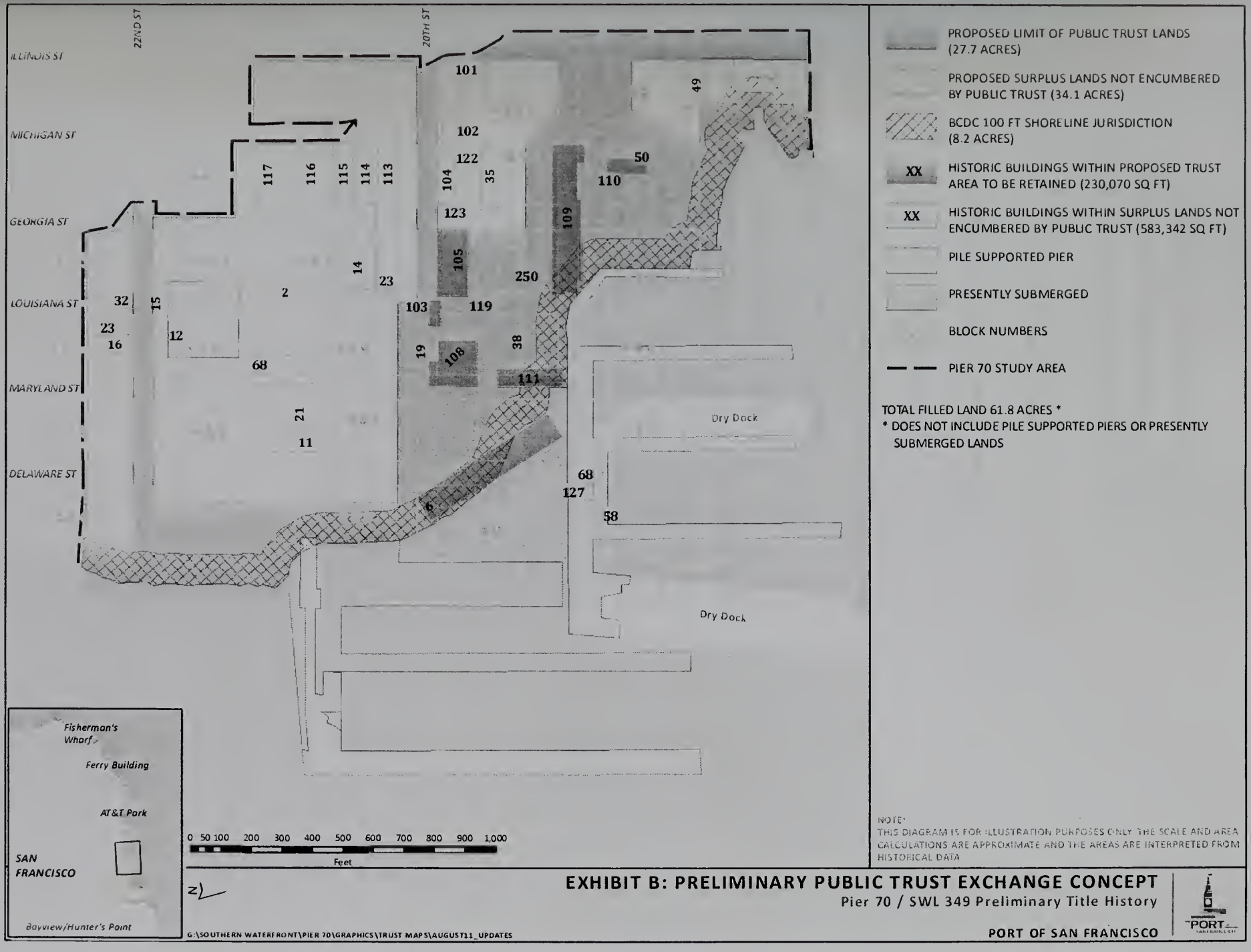


EXHIBIT B: PRELIMINARY PUBLIC TRUST EXCHANGE CONCEPT

Pier 70 / SWL 349 Preliminary Title History

PORT OF SAN FRANCISCO

AMENDED IN SENATE JULY 1, 2011

AMENDED IN SENATE JUNE 23, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL No. 418

Introduced by Assembly Member Ammiano

February 14, 2011

An act relating to tidelands and submerged lands.

LEGISLATIVE COUNSEL'S DIGEST

AB 418, as amended, Ammiano. Tidelands and submerged lands: City and County of San Francisco: Pier 70.

Existing law grants to the City and County of San Francisco the right, title, and interest of the State of California in and to certain tidelands and submerged lands in trust for certain purposes. Under existing law, the Burton Act, and the Burton Act transfer agreement, the interest of the state in and to the Harbor of San Francisco was transferred in trust to the City and County of San Francisco. The State Lands Commission has jurisdiction over tidelands and submerged lands of the state.

This bill would authorize the State Lands Commission to approve an exchange of trust lands within the Pier 70 area, as defined, subject to specified conditions. The bill would provide that lands exchanged out of the trust are free from the requirements of the public trust, the Burton Act trust, and the Burton Act transfer agreement, and lands to be exchanged are subject to the requirements of the public trust, the Burton Act trust, and the Burton Act transfer agreement.

The bill would provide that the precise boundaries of the lands to be taken out of the trust and the lands to be put into the trust pursuant to the exchange shall be determined by the Port of San Francisco, subject

EXHIBIT C

to the approval of the commission. All lands exchanged into the public trust shall be held by the Port of San Francisco.

This bill would authorize the use or lease of historic buildings situated on trust lands for purposes not otherwise consistent with the public trust or the Burton Act trust if specified requirements are met.

This bill would make legislative findings and declarations as to the necessity of a special statute for Pier 70 in the City and County of San Francisco.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The following definitions apply for purposes of this act:

(a) "AC34" means the 34th America's Cup.

(b) "AC34 events" means the AC34 sailing regatta and related events described in the host agreement.

(c) "BCDC" means the San Francisco Bay Conservation and Development Commission established under Section 66620 of the Government Code.

(d) "Burton Act" means Chapter 1333 of the Statutes of 1968, as amended.

(e) "Burton Act transfer agreement" means that certain agreement dated January 24, 1969, between the state and the city, relating to the transfer of the Port of San Francisco from the state to the city, and any amendments to that agreement in accordance with its terms.

(f) "Burton Act trust" means the statutory trust imposed by the Burton Act, and any additional restrictions on use and alienability created by the Burton Act transfer agreement.

(g) "City" means the City and County of San Francisco, a charter city and county, and includes the port.

(h) "Commission" means the State Lands Commission.

(i) "Event Authority" means the America's Cup Event Authority, LLC.

(j) "Harbor fund" means the separate fund in the treasury of the city established and maintained in accordance with Section B6.406 of the charter of the city and Section 4 of the Burton Act.

(k) "Historic buildings" means those buildings that have been designated as, or meet the standards for, resources contributing to the historic significance of the Pier 70 Historic District under federal law.

(*l*) "Host agreement" means the Host and Venue Agreement between the Event Authority and the city setting forth certain conditions, including completion of environmental review under the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), under which the city will act as host city for AC34 events.

(m) "Lease" means a ground lease or space lease of real property, license agreement for use of real property, temporary easement, right-of-way agreement, development agreement, or any other agreement granting to any person any right to use, occupy, or improve real property under the jurisdiction of the port.

(n) "Master plan" means the Pier 70 Preferred Master Plan published by the port in April 2010.

(o) "Person" means any private person, corporation, limited liability company, partnership, joint venture, business entity, business trust, association or other private organization or private entity, or any governmental entity or agency.

(p) "Pier 70 area" means the approximately 69-acre site owned by the port commonly known as the Pier 70 area.

(q) "Port" means the Port of San Francisco, acting by and through the San Francisco Port Commission.

(r) "Public trust" means the common law public trust for commerce, navigation, and fisheries.

(s) "San Francisco waterfront" means those lands placed by the city under the management, supervision, and control of the port.

(t) "Seawall lot 330" means that certain parcel of real property more particularly described as ____.

(u) "Secretary's Standards" means the United States Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings.

(v) "Senate Bill 815" means Chapter 660 of the Statutes of 2007, as amended.

(w) "State" means the State of California.

(x) "Team" means the Oracle Racing Team, successor to the BMW Oracle Team, and its successors.

(y) "Tidelands" means tide and submerged lands.

(z) "Trust" means the public trust or the Burton Act trust, or both, as appropriate in the context of its use.

(aa) "Trust lands" means all lands, including tidelands, within the Pier 70 area that are presently subject to the trust. Following a trust exchange, trust lands shall include all lands within the Pier 70 area that have been impressed with the trust by the exchange, and shall not include any lands that have been removed from the trust by the exchange.

(ab) "Trust termination lands" means all lands within the Pier 70 area that will not be subject to the trust following a trust exchange.

(ac) "Venue" means a site under port jurisdiction that is subject to the public trust and that is proposed to be used for AC34 events.

(ad) "Waterfront land use plan" means the Port of San Francisco Waterfront Land Use Plan, including the waterfront design and access element, adopted by the port in 1997 under Resolution No. 97-50, as amended from time to time.

SEC. 2. The Legislature finds and declares all of the following:

(a) The purpose of this act is to facilitate the productive reuse of the lands within the Pier 70 area of San Francisco in a manner that furthers the purposes of the trust. To effectuate this purpose, this act approves and authorizes the commission, subject to the requirements of this act, to carry out an exchange of lands that will place or confirm the public trust or the Burton Act trust on lands within the Pier 70 area with substantial value for the trust, and terminate the public trust and the Burton Act trust in Pier 70 area lands that no longer are useful for trust purposes.

(b) The Pier 70 area is one of the most important intact maritime industrial complexes west of the Mississippi. It is the oldest continuously operating shipyard on the west coast. For over 150 years, some portion of the Pier 70 site has been in use for shipbuilding and repair, steel production, and supporting heavy industrial uses. With the arrival of the Union Iron Works in the 1880s, the site became a major national and international shipbuilding center, launching, for example, the first steel-hulled ship built on the Pacific Rim. The shipyard at Pier 70, later acquired by the Bethlehem Steel Corporation, built both merchant ships and warships, and was a major supplier for the United States Navy during the Spanish-American War and both world wars. Its

development was a key step in the spread of industrialization to the Pacific Coast.

(c) The Pier 70 area is within the jurisdiction of the port. Preserving the Pier 70 area's historic resources is one of the port's goals in its waterfront land use plan. In furtherance of that goal, the port has prepared an application to list the Pier 70 area on the National Register of Historic Places and is working with applicable regulatory agencies to prepare a plan to remediate, if necessary, any hazardous substances affecting the Pier 70 area. The master plan incorporates historic preservation and remediating environmental conditions as key objectives for development of the Pier 70 area.

(d) The Pier 70 area includes lands that were historically tidelands subject to the public trust as well as historic uplands that were not subject to the public trust. Beginning in 1868, certain Pier 70 area tidelands were conveyed into private ownership by the state pursuant to various state statutes. Portions of those tidelands were subsequently filled and reclaimed. The public trust status of portions of the reclaimed tidelands within the Pier 70 area, as well as certain adjacent submerged lands, is uncertain. Due to various historical circumstances, some of the reclaimed tidelands, including lands located well inland from the current shoreline, may have remained subject to the public trust, while other lands, including reclaimed tidelands, lands along the shoreline, and adjacent submerged lands, may have been freed from the trust.

(e) The port acquired portions of the Pier 70 area lands, including portions of the historic uplands, as part of the state's grant to the city under the Burton Act. The port acquired the remainder of the Pier 70 area lands from private owners.

(f) Absent a trust exchange, substantial portions of the lands within the Pier 70 area that are located along the waterfront or are otherwise of high value to the trust could be sold into private ownership, cut off from public access, and used for purposes inconsistent with the trust. In addition, certain interior lands not useful for trust purposes would be restricted by the trust and could not be used for nontrust uses essential to the revitalization of the Pier 70 area.

(g) This act is necessary for the successful revitalization of the Pier 70 area and to realize the resulting public benefits, including

continued operation of the existing ship repair yard on approximately 15 acres of the Pier 70 area, the elimination of blight, the remediation of hazardous substances, the establishment of a Pier 70 National Register Historic District and adaptive reuse of approximately 700,000 square feet of historic buildings, the construction of approximately 3,000,000 square feet of new infill development compatible with the historic district predominantly for job-creating uses such as office and technology space, providing some 6,000 to 8,000 new jobs, the creation of approximately 11 acres of waterfront open space and an additional nine acres of internal open space, and increased public access to the waterfront. This legislation is also needed to improve the configuration of the trust lands in furtherance of trust purposes.

(h) A trust exchange pursuant to this act would result in the configuration of trust lands that maximizes the overall benefits to the trust, without interfering with trust uses or purposes by impressing the entire waterfront within the Pier 70 area, as well as certain interior lands that have high trust values, with the trust and removing from the trust lands that have been cut off from navigable waters, are no longer needed or required for the promotion of the trust, and constitute a relatively small portion of the granted lands within the city. This act requires the commission to ensure that the lands added to the trust by the exchange have a monetary value equal to or greater than the monetary value of the lands taken out of the trust.

(i) The State Office of Historic Preservation has reviewed the port's draft application for listing the Pier 70 area on the National Register of Historic Places and the establishment of the Pier 70 Historic District, and has preliminarily concurred with the port's conclusion that several buildings in the Pier 70 area are contributors to the proposed historic district. These historic buildings are located throughout the Pier 70 area. They convey a sense of the Pier 70 area's early maritime industrial history and enhance the open-space experience in the corridor leading to the waterfront, but are in seriously dilapidated condition. These maritime-related historic buildings are resources of statewide importance, and their preservation and restoration benefits the statewide public and furthers trust purposes by providing maritime-related education about the historic resources and their contribution to the maritime industry, and providing public access to view the historic

architectural amenities. This act authorizes uses of historic buildings located on trust lands that support preservation and restoration of the buildings, maritime-related education, and public access to view these historic resources, including uses that would not otherwise be consistent with the trust, subject to the requirements of this act. This act also provides that historic buildings situated on trust termination lands, for so long as the buildings remain in port ownership and retain their integrity as historic resources, should continue to be managed by the port as trust assets and historic resources of statewide importance providing maritime-related education and public access.

(j) The successful development and revitalization of the Pier 70 area requires that land use planning, infrastructure development, and management and control of the site as a whole be integrated. Both the trust lands and trust termination lands within the Pier 70 area will be served by common streets, utilities, and other infrastructure and public facilities that will need to be constructed or improved as part of the development of the Pier 70 area. Preserving the historic district will similarly require investment in buildings on both trust lands and trust termination lands. In addition, the port anticipates substantial investment in the trust lands from nontrust sources, including lease revenues from the trust termination lands, infrastructure financing district tax increment funds, and park improvements funded by city general obligation bonds. In light of these unique circumstances, it is in the best interest of the state and the trust to allow the port to continue to hold and manage the trust termination lands as an asset of the trust, free of public trust and Burton Act trust use restrictions; to require that all revenues or other proceeds generated by the port from the trust termination lands be deposited in the harbor fund; and to permit the use of harbor fund moneys on the trust termination lands to enhance the value to the trust of the trust asset, subject to the limitations set forth in this act.

SEC. 3. (a) The commission is authorized to approve an exchange of trust lands within the Pier 70 area that meets the requirements of this act.

(b) The commission may not approve the exchange of the trust lands unless it finds all of the following:

(1) The portions of the trust lands or interests in lands to be exchanged out of the trust have been filled and reclaimed, are cut

off from access to the waters of San Francisco Bay, and are no longer in fact tidelands or navigable waterways, are relatively useless for public trust purposes, and constitute a relatively small portion of the granted lands within the city.

(2) The lands or interests in land to be impressed with the trust have a monetary value equal to or greater than the monetary value of the lands or interests in lands to be exchanged out of the trust. If the lands or interests in lands to be exchanged into the trust are insufficient to meet the requirement of equal or greater monetary value, the commission may consider a deposit of funds into the Land Bank Fund established pursuant to Section 8610 of the Public Resources Code to be held solely for acquisition of property, in an amount at least equal to the difference in value, of purposes of making the funding required by this paragraph. If the lands or interests in lands to be exchanged into the trust exceed what is necessary to meet the requirement ~~or~~ *of* equal or greater monetary value, the lands not needed to meet the requirement may be used to satisfy, in whole or in part, the requirement of subdivision (e) of Section 9 of this act.

(3) No substantial interference with trust uses and purposes, including public rights of navigation and fishing, will ensue by virtue of the exchange.

(4) The lands or interests in lands impressed with the trust will provide a significant benefit to the trust and are useful for the particular trust purposes authorized by this act.

(5) The configuration of trust lands within the Pier 70 area, upon completion of the exchange, consists solely of lands suitable to be impressed with the trust.

(6) The appropriate state agencies have approved an environmental site investigation and risk assessment of the Pier 70 area, and agree on subsequent actions and development standards needed to ensure appropriate management of potential risks through development of a risk management plan, a remedial action plan, or comparable regulatory documents specific to the conditions at the Pier 70 area, and the port has provided adequate financial assurances to ensure performance of any affirmative remedial actions required by any such a plan or comparable regulatory document; and sufficient liability measures that protect the state will be in place upon completion of the exchange.

(7) The final layout of streets in the Pier 70 area shall provide access to the trust lands and be consistent with the beneficial use of the trust lands.

(8) Streets and other transportation facilities located on trust lands shall be designed to be compatible with the trust and to serve primarily trust purposes of access to shoreline improvements and shoreline circulation rather than serving nontrust purposes.

(9) The San Francisco Port Commission and the city's board of supervisors have approved the exchange.

(10) Any surveys or legal descriptions required for the parcels in conjunction with the exchange shall be approved by the commission or its executive officer.

(11) The exchange otherwise complies with the requirements of this act.

(12) The exchange is consistent with and furthers the purpose of the public trust, the Burton Act trust, and this act.

(13) The exchange is otherwise in the best interest of the statewide public.

(c) The commission may impose additional conditions on the exchange authorized by this act if the commission determines that these conditions are necessary to protect the public trust. Those conditions may include a requirement that, following the completion of remediation of submerged lands immediately adjacent to the Pier 70 area, or at any other time that the commission determines it is in the best interest of the state, the port and commission shall reasonably cooperate in taking all necessary actions to impress or confirm the public trust and the Burton Act Trust on those submerged lands or portions of these lands.

(d) For purposes of effectuating the exchange authorized by this section, the commission is authorized to do all of the following:

(1) Receive and accept on behalf of the state any lands or interest in lands conveyed to the state by the parties to the exchange agreement, including lands that are now and will remain subject to the public trust and the Burton Act trust.

(2) Convey by patent all of the right, title, and interest of the state in lands that are to be free of the public trust upon completion of an exchange of lands as authorized by this act and as approved by the commission.

(3) Convey to the city by patent all of the right, title, and interest of the state in lands that are to be subject to the public trust and the Burton Act trust upon completion of an exchange of lands as authorized by this act and as approved by the commission, subject to the terms, conditions, and reservations as the commission may determine are necessary to meet the requirements of this act.

(e) The exchange authorized by this section may include lands outside of the Pier 70 area to the extent consistent with the purposes of this act and approved by the commission. Lands outside the Pier 70 area that are impressed with the public trust and the Burton Act trust as part of an exchange authorized by this act shall be deemed trust lands for purposes of this act.

(f) This act does not condition or otherwise limit the authority of the state or the city to undertake a trust exchange or other conveyance authorized by any other law.

SEC. 4. The precise boundaries of the lands to be taken out of the trust and the lands to be put into the trust pursuant to the exchange shall be determined by the port, subject to the approval of the commission. The commission is authorized to settle by agreement with the port any disputes as to the location of the mean high tide line in its last natural state, the boundaries of tidelands conveyed into private ownership pursuant to various statutes, and any other boundary lines that the commission deems necessary to effectuate the exchange.

SEC. 5. All lands exchanged into the trust under this act shall be held by the port subject to the public trust and the Burton Act trust, and all lands exchanged out of the trust under this section shall be free of the public trust and the Burton Act trust.

SEC. 6. (a) For so long as the port holds title to the trust termination lands, those lands shall be held as assets of the public trust, free of any public trust or Burton Act trust use or alienation restrictions, but subject to the requirements of this section.

(b) The port may hold, use, conduct, operate, maintain, manage, administer, regulate, improve, sell, lease, encumber, and control the trust termination lands and any buildings and improvements on the lands, for any purpose, whether or not consistent with the trust, subject to the requirements of this section.

(c) Any revenues or other proceeds received by the port from the trust termination lands shall be deposited in the harbor fund.

(d) The port shall receive fair market value for the lease or sale of any trust termination lands or interest in the lands.

(e) The port may expend moneys in the harbor fund in connection with the trust termination lands for the following limited purposes:

(1) The operation, maintenance, management, and administration of those trust termination lands under port ownership and any buildings, structures, or improvements on those lands if any lease by the port of trust termination lands with a term of 30 or more years requires the port's lessee to undertake the operation, maintenance, management, and administration of the lease premises.

(2) The preservation, rehabilitation, restoration, or reconstruction of any historic building on trust termination lands in a manner consistent with the Secretary's Standards, for so long as the building remains in port ownership.

(3) Securing or servicing bond or other indebtedness incurred for the improvement or construction of streets, utilities, or other infrastructure or public facilities that serve the Pier 70 area and are located on trust termination lands or on lands immediately adjacent to the Pier 70 area.

(4) Planning, investigation, design, administrative review, and entitlement work associated with the development of the Pier 70 area.

SEC. 7. (a) Historic buildings situated on trust lands may be used or leased for purposes that are not otherwise consistent with the public trust or the Burton Act trust if all of the following requirements are met:

(1) The buildings are rehabilitated consistent with the Secretary's Standards.

(2) The uses or leases provide for public access to view the interior and exterior historic architectural amenities and other amenities that educate the public about the historic buildings and their contribution to the maritime history of Pier 70.

(3) The executive officer of the commission makes a written finding that trust uses available could not feasibly provide sufficient funds for the restoration and preservation of the building and that the uses or leases are part of an overall program that further trust purposes.

(b) If a building described in subdivision (a) is used for a nontrust purpose, and is remodeled, renovated, or used in a manner that is inconsistent with the Secretary's Standards, the building shall be put to a trust use from the commencement of the inconsistent remodel, renovation, or use, unless the continued nontrust use is otherwise authorized under the Burton Act.

(c) If a building described in subdivision (a) is demolished, subsequent use of the land and any replacement structure shall be consistent with the public trust and the Burton Act trust.

(d) Notwithstanding subdivisions (a), (b), and (c), this section does not limit the port's authority under Section 3 of the Burton Act.

SEC. 8. The Legislature further finds and declares all of the following:

(a) The purpose of this act is also to facilitate the port's implementation of its waterfront land use plan, its capital plan, and the host agreement, subject to required environmental review.

(b) The San Francisco waterfront is a valuable public trust asset of the state that provides special maritime, navigational, recreational, cultural, and historical benefits to the people of the region and the state. Deferred maintenance since 1969 has caused deteriorating conditions along the San Francisco waterfront, which has limited the port's ability to fully implement its waterfront land use plan.

(c) Pursuant to the San Francisco Administrative Code, the port has developed a capital plan identifying projects necessary and convenient to the improvement, operation, and conduct of the city's waterfront. Projects in the capital plan include the following:

(1) Seismic and life-safety improvements to existing buildings and other structures.

(2) Rehabilitation, restoration, and preservation of certain historic piers and other historic structures.

(3) Structural repairs and improvements to piers, seawalls, and wharves.

(4) Remediation of hazardous materials.

(5) Stormwater management facilities.

(6) Other utility infrastructure.

(7) Public access improvements, including improvements within and around the pier sheds and the construction of waterfront plazas and open space.

(d) The estimated cost to implement the port's capital plan is approximately $2.17 billion in 2011 dollars. This amount substantially exceeds the projected revenues of the port available for these purposes.

(e) Providing additional mechanisms to finance capital improvements to the port's facilities in furtherance of the capital plan and waterfront land use plan is a matter of statewide importance that will further the purposes of both the public trust and the Burton Act trust.

(f) In February 2010, the BMW Oracle racing team, sailing under the burgee of the Golden Gate Yacht Club, won the 33rd America's Cup off the coast of Valencia, Spain. The America's Cup, which was first awarded in 1851, is the oldest sporting trophy in sailing history. On December 31, 2010, the team designated the city to host the AC34 events. The team has designated as the potential venue for AC34 the San Francisco waterfront area generally between the Golden Gate Bridge to the north and Pier 80 to the south. The team anticipates holding the AC34 match in the San Francisco Bay in 2013, with preliminary races worldwide beginning in 2011 and in the San Francisco Bay in 2012. The city is conducting environmental review of the AC34 match, preregattas, and related activities.

(g) An economic impact study by the Bay Area Council's Economic Institute and Beacon Economics released in July 2010 concludes that hosting AC34 on the San Francisco Bay would generate nearly 9,000 jobs and $1.4 billion in direct spending in the San Francisco Bay area and California, and nearly $1.9 billion nationwide. The study reports that the America's Cup is the world's third largest sporting competition after the Olympics and soccer's World Cup.

(h) Under the host agreement, the city has agreed to provide the team with venues for regattas, team and competitor facilities, sponsorship activities, spectator viewing, and ancillary activities, subject to completion of environmental review and review and approval of the planned facilities for the event. The venues are likely to be located on water areas, piers and wharves, and waterfront and landside property under port jurisdiction, generally from the Golden Gate Bridge to Pier 80. If the project is approved, the Event Authority will make capital improvements to certain venues, subject to the port's approval, which will correct

deteriorated facility conditions and increase public access to, and use and enjoyment of, trust lands.

(i) In Senate Bill 815, the Legislature found that certain lands within port jurisdiction, including seawall lot 330, have become separated from the San Francisco Bay by the Embarcadero roadway, were further cut off from the water by light rail tracks that were constructed in the median of the roadway, have ceased to be useful for the promotion of the public trust and the Burton Act trust except for the production of revenue to support the purposes of the Burton Act trust, are leased on an interim basis for commuter parking or are vacant land, and constitute in the aggregate approximately 4 percent of the lands granted to the city under the Burton Act, not including lands currently subject to tidal action.

(j) Based on those findings, the Legislature concluded, inter alia, that seawall lot 330 was filled and reclaimed as part of a highly beneficial plan of harbor development, has ceased to be tidelands, constitutes a relatively small portion of the tidelands granted to the city, and is not necessary for public trust or Burton Act trust purposes. Accordingly, the Legislature freed seawall lot 330 from the use requirements of the public trust and the Burton Act trust through the year 2094. The Legislature further authorized the port to enter into nontrust leases for seawall lot 330 for periods of up to 75 years.

(k) The host agreement provides that if the project is approved, in consideration of the Event Authority's capital investment in port facilities, the port will offer the Event Authority certain long-term development rights on port lands equal in value to the Event Authority's investment in the venues. The long-term development rights include the sale of seawall lot 330, following the removal of that parcel from the public trust. The host agreement further provides that the sale of seawall lot 330 be for fair market value, to be determined based on a prescribed appraisal process and indexed annually at 3 percent until title is transferred.

(*l*) The Legislature hereby finds and declares that, based on the findings made in this act and the findings previously made in Senate Bill 815, all of the conditions for terminating the public trust as set forth by the California Supreme Court in City of Long Beach v. Mansell (1970) 3 Cal.3d 462 have been met as to seawall lot 330. The Legislature further finds and declares that seawall lot

330 is not needed for any trust use for the foreseeable future, that the residual value to the trust of reserving seawall lot 330 for trust uses after the year 2094 is minimal, and that allowing the port to obtain a major investment in waterfront improvements to address its critical capital needs through the sale of seawall lot 330 would provide substantially greater benefit to the trust. The Legislature further finds and declares that placing the trust on lands not currently subject to the trust that are situated on or adjacent to the San Francisco Bay in the manner required by this act would provide substantially greater benefit to the trust than would reserving the seawall lot 330 for trust uses after the year 2094.

SEC. 9. (a) Based on the foregoing findings, the Legislature hereby declares seawall lot 330 to be free of the public trust and the Burton Act trust in perpetuity, and further declares that seawall lot 330 has ceased to be tidelands for purposes of Section 3 of Article X of the California Constitution.

(b) All of the state's right, title and interest in seawall lot 330 is hereby granted, free of the public trust and the Burton Act trust, to the port. The port shall hold seawall lot 330 as an asset of the trust, free of any public trust or Burton Act trust use or alienation restrictions, but subject to the requirement that all revenues or other proceeds generated on seawall lot 330 be deposited in the harbor fund and used for trust purposes. The port may, on behalf of the state, convey seawall lot 330 or any interest in seawall lot 330 to any person, free of the public trust and the Burton Act trust, if the consideration received by the port is equal to or greater than the fair market value of the land or interest conveyed and is used by the port for trust purposes.

(c) The consideration received by the port, or any portion of the consideration, may be in the form of improvements to a venue or to other property within the port's jurisdiction and subject to the trust, if, prior to the transfer of title, the commission has found that either the improvement work has been completed or the purchaser has secured the cost of completing the work by a performance bond, cash deposit, letter of credit, promissory note secured by a deed of trust on the property, or comparable security.

(d) Transfer of the fee interest in seawall lot 330 in accordance with the terms of the host agreement as it existed on its effective date, and based on the fair market value of seawall lot 330 as determined by the port, shall be deemed to satisfy the requirements

of this section. However, as a condition of any transfer of the fee interest, the commission shall review the appraisals used by the port in determining the fair market value of seawall lot 330 for conformance with the Uniform Standards of Professional Appraisal Practice and approve the valuation methodologies used in the appraisals. If the transfer of the fee interest in seawall lot 330 does not occur by June 30, 2012, the port's determination of the fair market value of seawall lot 330 shall be subject to further review and approval by the commission.

(e) As a condition of any transfer of the fee interest in seawall lot 330, the port shall be obligated to cause the trust to be impressed upon lands situated on or adjacent to the San Francisco Bay that have a total area equal to or greater than the area of seawall lot 330 and have been determined by the commission to be useful for trust purposes. The lands to be impressed with the trust shall be identified by the port and approved by the commission prior to the transfer of title to seawall lot 330, and the port shall cause the trust to be impressed upon those lands within a reasonable period of time thereafter, as determined by the commission.

(f) This section supersedes the requirements of the Burton Act and Senate Bill 815 to the extent that they apply to seawall lot 330.

SEC. 10. This act advances the statewide purpose of the public trust and is in the best interests of the people of this state. An agreement for the sale, lease, or exchange of port property or other agreement made under this act is hereby found to be of statewide significance and importance. Therefore, an ordinance, charter provision, or other provision of local law that is inconsistent with this act does not apply to that sale, lease, exchange, or other agreement.

SEC. 11. (a) Notwithstanding any other law, the requirements of subdivision (f) of Section 10310 of Title 14 of the California Code of Regulations shall be deemed satisfied for any Pier 70 development project requiring a BCDC permit if the city submits in a form acceptable to BCDC an approved development and disposition agreement for the project ~~that is consistent with an approved financial and land use plan for the Pier 70 area as permitted under Charter Section B7.310.~~ *and final city approval of all necessary amendments to the city's general plan, planning code, and zoning maps.*

(b) This section does not affect BCDC's jurisdiction and authority or its discretion to approve, disapprove, or condition a permit application subject to this section in accordance with applicable law.

SEC. 12. A deed, patent, agreement, or other instrument executed in furtherance of this act, or an action of the state or port to approve the use, lease, or conveyance of a state or port property subject to this act, or any portion of that property, or to approve project agreements, grant entitlements, or permits, or issue bonds or other indebtedness in connection with the use and development of that property, shall be conclusively presumed to be valid unless held to be invalid in an appropriate proceeding in a court of competent jurisdiction to determine the validity of the agreement commenced within 60 days after the recording of the agreement.

SEC. 13. (a) An action may be brought under Chapter 4 (commencing with Section 760.010) of Title 10 of Part 2 of the Code of Civil Procedure to establish title to any lands conveyed pursuant to this act or by the parties to any agreement entered into pursuant to this act to confirm the validity of the agreement. Notwithstanding Section 764.080 of the Code of Civil Procedure, the statement of decision in the action shall include a recitation of the underlying facts and a determination as to whether the conveyance or agreement meets the requirements of this act, Sections 3 and 4 of Article X of the California Constitution, if applicable, and any other law applicable to the validity of the agreement.

(b) For purposes of Section 764.080 of the Code of Civil Procedure and unless otherwise agreed in writing, an agreement entered into pursuant to this act shall be deemed to be entered into on the date it is executed by the executive officer of the commission, who shall be the last of the parties to sign prior to the signature of the Governor. The effective date of the agreement shall be deemed to be the date on which it is executed by the Governor pursuant to Section 6107 of the Public Resources Code.

(c) An action may be brought under Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the legality and validity of a deed, patent, agreement, or other instrument executed in furtherance of or authorized by this act, or an action of the port to use, lease, or convey any property, or to approve project agreements, grant

entitlements or permits, or issue bonds or other indebtedness in connection with the use and development of that property. Prior to the filing of an action, the Attorney General and the executive officer of the commission shall be provided written notice of the action and a copy of the complaint. An action authorized by this subdivision may be combined with an action authorized by subdivision (a).

SEC. 14. If a provision of this act, or its application to a person, property, or circumstance, is held invalid by a court, the invalidity or inapplicability of that provision shall not affect any other provision of this act or the application of that provision to any other person, property, or circumstance, and the remaining portions of this act shall continue in full force and effect, unless enforcement of this act as so modified by and in response to that invalidation would be grossly inequitable under all of the circumstances, or would frustrate the fundamental purposes of this act.

SEC. 15. Except as expressly provided herein, this act prevails over any inconsistent provisions of the Burton Act or the Burton Act transfer agreement.

SEC. 16. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances applicable only to the lands described in this act.

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PORT OF SAN FRANCISCO

MEMORANDUM

August 10, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Ed Byrne
Chief Harbor Engineer

SUBJECT: Request authorization to award Construction Contract No. 2752, Pier 35 North Apron Repair Project, to Huey Construction Management Co. Inc. d.b.a. MH Construction Management Co., in an amount not-to-exceed $786,000, and also authorize staff to increase the contract amount by 10% (or $78,600), in the event of unanticipated contingencies, through contract modification or change order for a total of $864,600.

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Introduction

Port staff requests that the Port Commission authorize the award of Construction Contract No. 2752, Pier 35 North Apron Repair Project, to Huey Construction Management Co. Inc. d.b.a. MH Construction Management Co., the lowest responsive and responsible bidder. The Pier 35 North Apron Repair Project (the "Project") is part of various planned improvements along the North Apron of Pier 35 to create an additional berthing space for the 2012 Cruise Ship Season when Piers 30-32 and 27 may not be available for cruise ship berthing. The objective of the project is to strengthen Pier 35 North Apron deck so it is capable of supporting fork-lifts used during cruise ship operations over its entire length. Under current conditions, only a portion of Pier 35 North Apron deck is capable of supporting fork-lifts used during cruise ship operations. The project scope consists of demolition and removal of existing asphalt paving, wood framed deck, and rail assemblies below; and then construction of a new reinforced cast-in-place concrete slab supported over concrete stem walls at specific areas of the North Apron at Pier 35. Please refer to the attached Site Plan (Attachment A) indicating project location and the areas of work.

This Print Covers Calendar Item No. 5A

Background

The Port Commission, at its meeting on May 24, 2011, authorized staff to advertise for bids for this Project (Port Commission Resolution 11-31). The Human Rights Commission ("HRC") staff recommended a Local Business Enterprise ("LBE") subcontracting goal of 20% for this contract.

At the time of staff's invitation for project bids on June 26, 2011, the engineer's estimate was $711,000 for the total bid. On July 25, 2011, Port staff received five (5) bids. A summary of the bids is attached (Attachment B). At the time the bids were opened, the lowest bidder appeared to be Dutra Construction Co, Inc. However, HRC determined that Dutra Construction Co, Inc. did not meet the HRC LBE subcontracting goal of 20%. The second lowest bidder is West Bay Builders, Inc, but is not local and therefore ineligible under Ordinance 14B for a bid discount.

The third lowest bidder, Huey Construction Management Co. Inc. d.b.a. MH Construction Management Co., is a Small or Micro-LBE prime bidder, which is entitled to a 10% bid discount. After applying this bid discount, Huey Construction Management Co. Inc. became the second lowest bidder among all bidders, with a total bid price of $786,000.

Huey Construction Management Co. Inc.'s total bid price includes LBE subcontractor participation of 21%, which exceeds the HRC LBE goal of 20%. HRC has determined that Huey Construction Management Co. Inc.'s bid is compliant with the City's Administrative Code Chapter 14B requirements, meeting the LBE subcontractor goals and demonstrating Good Faith Outreach. Port staff has determined that Huey Construction Management Co., Inc. meets the technical qualifications required by the contract. Therefore, Port staff and HRC determined that Huey Construction Management Co. Inc. is the lowest responsive and most responsible bidder. A letter from HRC is attached with this memorandum for review (Attachment C).

San Francisco Local Hiring Policy for Construction

The Pier 35 North Apron Repair project includes the requirements to hire locally in accordance with the City's new Local Hiring Ordinance, which became effective on March 25, 2011. The mandatory participation level in terms of Project Work Hours within each trade to be performed by Local Residents is 20%, with a goal of no less than 10% of Project Work Hours within each trade to be performed by Disadvantaged Workers. Huey Construction Co. Inc.'s bid includes three (3) subcontractors from formwork to asphalt paving working trades, who can contribute to meet the required level of local hiring. The Office of Economic and Workforce Development (OEWD) will be administrating the policy.

Funding

The project is fully funded from CPO 778 (Pier Repair Fund).

Regulatory Permits

All required regulatory permits have been secured.

Schedule

The Project must be completed by February 2012 in advance of the start of the 2012 Cruise Ship Season. The estimated project schedule is summarized below:

Milestone Activity	Date
Commission Award	8/15/2011
Est. Notice to Proceed (NTP)	9/16/2011
Est. Substantial Completion	12/14/2011
Est. Final Completion	1/16/2012

No construction activity will occur at Pier 35 during the cruise ship calls.

Summary

Port staff recommends that the Port Commission authorize the award of construction Contract No. 2752, Pier 35 North Apron Repair, to Huey Construction Management Co. Inc. d.b.a. MH Construction Management Co., as the lowest responsive and responsible bidder, for a not-to-exceed amount of $786,000, and also authorize staff to increase the contract amount, if needed, for unanticipated contingencies, by an additional 10% (or $78,600) through contract modification or change order for a total of $864,600. Staff also recommends that the Port Commission authorize the Executive Director to accept the work once it is complete.

Prepared by: Joe Roger, Project Engineer
Tim Leung, Administrative Engineer

For: Ed Byrne, Chief Harbor Engineer

Attachments:

A: Pier 35 Site Plan
B: Bid Summary
C: HRC Letter

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCSISCO

RESOLUTION NO. 11-51

WHEREAS, The Port Commission previously authorized the advertisement of bids for the construction contract for Pier 35 North Apron Repair Project, Contract No. 2752 (the "Project"), at its meeting on May 24, 2011; and

WHEREAS, On July 25, 2011, Port staff received five (5) bids for the Project; and

WHEREAS, Port Engineering staff and the Human Rights Commission ("HRC") staff reviewed the bids and determined that Huey Construction Management Co. Inc. d.b.a. MH Construction Management Co. is the lowest responsive and responsible bidder for the Project; and

WHEREAS, Huey Construction Management Co. Inc.'s total bid price is $786,000; and

WHEREAS, The funds available from the Pier Repair Fund, CPO 778, will fully fund the Project costs; and

WHEREAS, Huey Construction Management Co. Inc.'s satisfies the technical qualification requirements; and

WHEREAS, Huey Construction Management Co. Inc.'s total bid satisfies the 20% subcontracting goal for Local Business Enterprises (LBEs), as recommended by the HRC; and

WHEREAS, Contractor will be required to comply with the new Local Hiring Ordinance requirements; and

WHEREAS, all required regulatory permits have been secured; now, therefore be it

RESOLVED, that the Port Commission hereby authorizes the award of construction Contract No. 2752, Pier 35 North Apron Repair, to Huey Construction Management Co. Inc. d.b.a. MH Construction Management Co., the lowest responsive and responsible bidder, for the not-to-exceed amount of $786,000; and be it further

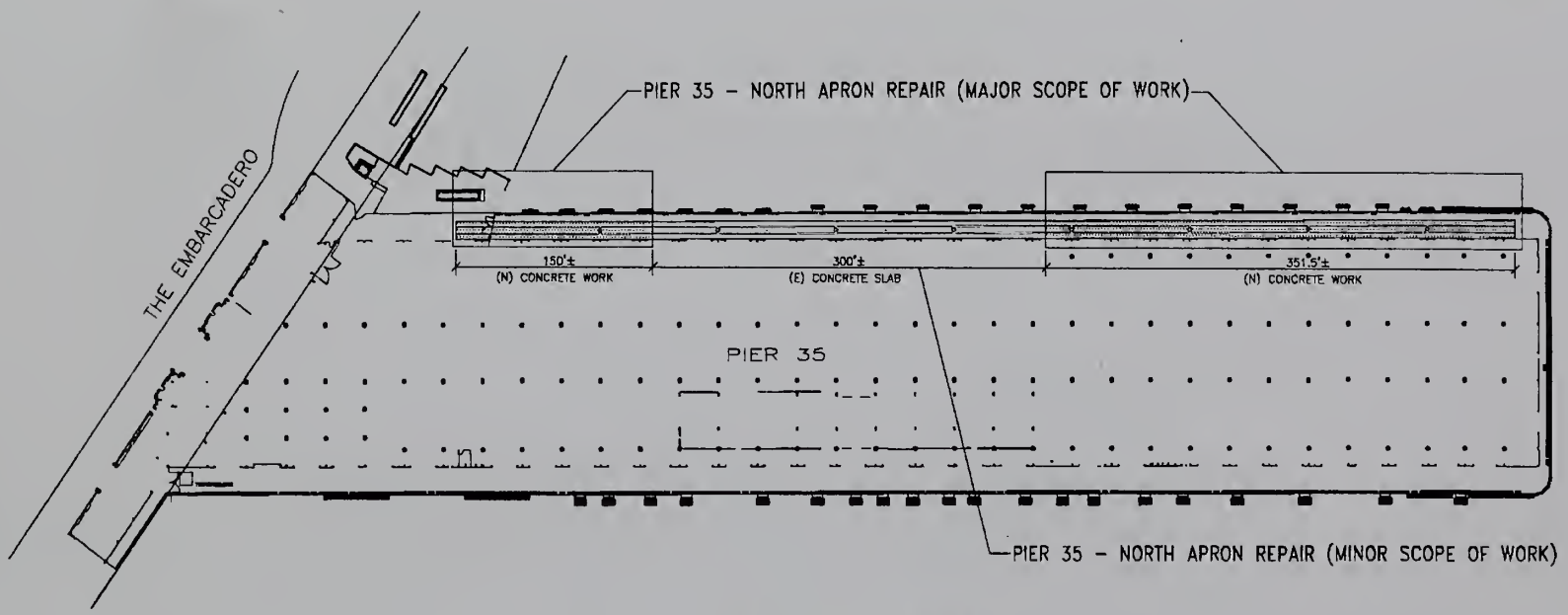
RESOLVED, that the Port Commission authorizes Port staff to increase the contract amount, if needed, for unanticipated contingencies, by an additional $78,600 (10% of $786,000) through contract modification or change order for a total of $864,600; and be it further

RESOLVED, that the Port Commission hereby authorizes the Executive Director to accept the work once it is complete.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 15, 2011.

Secretary

Attachment A



P35 SITE PLAN

not to scale

Pier 35 North Apron Repair - Contract No. 2752

Attachment B

PORT of SAN FRANCISCO

BID TABULATION

BID OPENING DATE	07/25 11 AM PIER 1, SAN FRANCISCO
CONTRACT NUMBER	2754
PROJECT NAME	PIER 33 NORTH APRON REPAIR
LBE GOAL:	20%
TOTAL NUMBER OF CALENDAR DAYS	90

NUMBER OF BIDDERS:	05	ESTIMATE:	711,200	LOW BID AMOUNT		PERCENT UNDER EST:	7.5%
				DIFFERENCE:	-11,100.00		

BIDDER ID	APPARENT BID RANK	BID ITEM #1, $	BID ITEM #2, $	BID AMOUNT, $	BIDDER INFORMATION
1	1	665,000.00	34,900.00	699,900.00	ULTRA CONSTRUCTION CO., INC. HARRY K. STEWARD, PRESIDENT / CEO 3250 FRONER BOULEVARD, SUITE 200 SAN RAFAEL, CA 94901 PHN 415 258-6876 Email [illegible]
2	3	1,094,000.00	54,700.00	1,148,700.00	VORTEX MARINE CONSTRUCTION, INC. BLAISE PETTIS LIVINGSTON STREET PIER OAKLAND, CA 94606 PHN 510 261-2400 Email BLAISE@VORTEX-JFD.COM
3	2	710,000.00	35,000.00	745,000.00	WEST BAY BUILDERS, INC. A CALIFORNIA CORPORATION PAUL THOMPSON 250 DEL MARIN KEYS BLVD., BLDG A NOVATO, CA 94949 PHN 415 456-8972 Email PAULTHOMPSON@WESTBAYBUILDERS.COM
4	4	747,000.00	32,000.00	786,000.00	HUBY CONST. WST. CO. INC. dba MH CONSTRUCTION MST. CO. MATTHEW HUBY 1620 17TH STREET SAN FRANCISCO, CA 94107 PHN 415 271-0621 Email MH[illegible].COM
5	5	[illegible]	40,000.00	850,000.00	P M HARRIS COMPANY INC. DAVID P. HARRIS 1300 S MT ED. SUITE 200 MARTINEZ, CA 94553 PHN 925 335-3000 Email [illegible]

SCHEDULE OF BID PRICES

Bid Item No.	Bid Item Description	Unit	Amount
1	Furnish and install Pier 35 North Apron repairs per drawings 17184-35-S, 17185-35-S, 17186-35-S, 17187-35-S, and related specifications	LS	$
2	Mobilization at Pier 35 (Maximum 5% of Bid Item 1)	LS	$
TOTAL BID PRICE (Summation of Bid items 1 through 2) =			$

SUBCONTRACTOR LIST

BIDDER ID	NAME AND LOCATION	CERTIFIED DBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT	LICENSE NO.	EXPIRES
01	MALONEY CONSTRUCTION, INC.	✓	DEMOLITION AND FORMWORK	105,000.00	456104	09/31/2014
	O'CONNOR TRUCKING	✓	TRUCKING	3,000.00	N/A	N/A
	SHEPARD STEEL CO., INC.		REINFORCING STEEL, INSTALLED	60,858.00	628120	11/31/2013
	CAL-CON PUMPING, LLC	✓	[illegible]	3,000.00	N/A	N/A
	ANNUZZI'S CONCRETE SERVICE	✓	AC PAVING	14,400.00	271856	02/28/2013
	DLD LUMBER CO.	✓	LUMBER	4,000.00	N/A	N/A
TOTAL 01				193,858.00		

[illegible]

SUBCONTRACTOR LIST

BIDDER ID	NAME AND LOCATION	CERTIFIED DBE	DESCRIPTION OF PORTION OF WORK SUB-CONTRACTED	AMOUNT	LICENSE NO.	EXPIRES
02	MISSION CITY REBAR	-	SUPPLY/INSTALL REINFORCING STEEL	112,710.00	273978	06/30/2013
	MH CONSTRUCTION MANAGEMENT, INC.	✓	PURCHASE / PUMP PLACE CONCRETE	180,000.00	735128	05/31/2012
	ANNUZZI'S CONCRETE SERVICE	✓	AC PAVING	35,610.00	271856	02/28/2013
	CAMELAN TRUCKING	✓	TRUCKING & HAULING	9,500.00	N/A	N/A
TOTAL 02				337,856.00		

[illegible]

SUBCONTRACTOR LIST

BIDDER ID	NAME AND LOCATION	CERTIFIED LBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT	LICENSE NO.	EXPIRES
03	NORTH COAST STEEL		REBAR	54,[illegible].00	913[illegible]	04/30/201[illegible]
	DE HARO FAMIREZ GROUP	✓	DEMO / CONCRETE (PARTIAL)	262,000.00	733852	04/[illegible]/201[illegible]
TOTAL 03				256,339.00		

SUBCONTRACTOR LIST

BIDDER ID	NAME AND LOCATION	CERTIFIED LBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT	LICENSE NO.	EXPIRES
04	ANNUZZI'S CONCRETE SERVICE	✓	ASPHALT	15,000.00	271856	02/28/2013
	A. RUIZ CONSTRUCTION & ASSOC.	✓	REINFORCEMENT	60,000.00	427657	09/30/2012
	POWER CONSTRUCTION INC.	✓	FORMWORK	91,000.00	861418	07/31/2011
TOTAL 04				166,000.00		

BIDDER ID	NAME AND LOCATION	CERTIFIED LBE	DESCRIPTION OF PORTION OF WORK SUBCONTRACTED	AMOUNT	LICENSE NO.	EXPIRES
05	SILVERADO CONSTRUCTORS INC.		DEMOLITION	[illegible]	782547	08/21/2012
	SHEPARD STEEL CO., INC.	[illegible]	BAR REINFORCING STEEL	[illegible]	698120	10/21/2012
	AI PROTECTIVE SERVICES	✓	SECURITY GUARD	[illegible]	N/A	N/A
	CITY SOURCE RENTAL & SUPPLY	✓	LUMBER SUPPLY	[illegible]	N/A	N/A
	BAUER TRANSPORTATION SYSTEM, INC.	✓	TRUCKING SUB	[illegible]	N/A	N/A
	FLYNN TRANSPORT	✓	TRUCKING SUB	[illegible]	N/A	N/A
TOTAL 05						

Attachment C

City and County of San Francisco

Edwin M. Lee
Mayor

Human Rights Commission

Contract Compliance
Dispute Resolution/Fair Housing
Small Micro Local Business Enterprise
Lesbian Gay Bisexual Transgender & HIV Discrimination

Theresa Sparks
Executive Director

MEMORANDUM

Date: August 3rd, 2011

To: Tim Leung, Project Manager, SF Port

From: Finbarr Jewell, Contract Compliance Officer, SFHRC

Subject: Award of Contract No. 2752, Pier 35 North Apron Repair

The Human Rights Commission ("HRC") has evaluated the bids on the above referenced project for compliance with HRC 14B pre-award requirements. An LBE subcontracting participation goal of 20% was established for the Contract.

Five firms submitted bids for this contract. HRC reviewed the three lowest bids, Dutra Construction, M.H. Construction Management Company Inc., and West Bay Builders Inc. The lowest bidder Dutra Construction did not meet the LBE goal because they listed Sheppard Steel a SFPUC-LBE. A SFPUC LBE can only be utilized for SFPUC Regional Projects. Pursuant to Chapter 14B a responsive bidder must meet the established project participation goal of 20%.

Based on this review, M.H Construction is deemed the lowest responsive bidder to the HRC's LBE subcontracting goal.

M.H. Construction In., is a certified LBE and thus eligible for the 10% bid discount. The HRC has determined that M.H. Construction is responsive to the Chapter 14B requirements and listed the following LBE commitments:

See Chart:

Annuzzi's Concrete	LBE/QBE	$15,000	1.9%
A Ruiz Construction	LBE/MBE	$60,000	7.63%
Power Construction	LBE/OBE	$90,000	11.45%

M. H. Construction met the 20% LBE subcontractor participation goal and met the Chapter14B pre-award requirement and thus is eligible for the award of the contract.

25 Van Ness Avenue
Suite 800
San Francisco
California 94102-6033

TEL (415) 252-2500
FAX (415) 431-5764
TDD (415) 252-2550
www.sf-hrc.org

PORT OF SAN FRANCISCO

MEMORANDUM

August 10, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Byron A. Rhett
Deputy Director

SUBJECT: Request authorization to apply for, accept, and expend a grant for $5,000,000 from the State of California, Prop 84, Statewide Park Development and Community Revitalization Program of 2008, for the Northeast Wharf Plaza open space, located on Pier 27 at The Embarcadero Promenade across from Lombard Street

DIRECTOR'S RECOMMENDATION: Adopt Attached Resolution

Background
On November 7, 2006, California voters passed Proposition 84, the $5.4 billion "Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006" (Proposition 84). A portion of these funds ($368 million) are being disbursed through the *Statewide Parks Program* through the California Department of Parks and Recreation Office of Grants and Local Services (OGALS), for use in the "creation of new parks and recreation facilities in critically underserved communities throughout California." Port staff believes that the Northeast Wharf Plaza, located on Pier 27 at the base of Telegraph Hill, is eligible and competitive for award of grant monies from this program.

Northeast Wharf Plaza and the James R. Herman Cruise Terminal
As part of the larger James R. Herman Cruise Terminal project, Northeast Wharf Plaza is planned as a major new open space on the Port's Northeast Waterfront. The Plaza and Cruise Terminal are both specifically identified in the Port's Waterfront Land Use Plan (WLUP) and the Bay Conservation and Development Commission's (BCDC) Special Area Plan. These projects, working in concert, will simultaneously accomplish multiple goals outlined in these plans – preservation of the maritime nature of the Port, the promotion of a working waterfront, and the creation of open space and public access opportunities.

THIS PRINT COVERS CALENDAR ITEM NO. 5B

The Northeast Wharf Plaza will feature walkways and plaza spaces leading to the cruise terminal and along the Bay edge, and a large open lawn area designed for unscripted, passive recreation opportunities. Port staff propose to seek grant funds under Proposition 84 for construction and improvements for this lawn area, as a stand alone component of the Northeast Wharf Plaza.

As planned, from the Northeast Wharf Plaza and lawn area, visitors will enjoy expansive views of the Bay, visiting cruise ships, and the San Francisco skyline. The edge of the proposed lawn will feature seat height walls, steps functioning as both an entry to the lawn as well as seating area, accessible ramps, benches, plantings, and other hardscape features. The project may also include interpretation of natural and social history, and possibly, public art and other structures that would create recreational opportunities for visitors of all ages. For passengers leaving and departing the cruise terminal, the open expanse of the Plaza and lawn will provide a natural gathering area, moderating the transition between busy streets and open seas. The new Cruise Terminal will serve as a visual anchor for the park, helping to frame views of the Bay out to Treasure Island and the Bay Bridge.

The location of this planned open space is also key to its future value. In addition to its situation next to the Cruise Terminal, the Plaza lies roughly halfway between Fisherman's Wharf and the Ferry Building, a path traveled by millions of visitors each year. It sits just north of the new Exploratorium location, which will bring visitors of all ages to the Northeast Waterfront. This portion of the waterfront is near dense urban residential areas that are lacking in parks, plazas, and other open spaces. This project will function as both a common green area for residents and an attractive destination for visitors.

The concept design for the Pier 27 cruise terminal and Pier 27 public spaces were presented to the Port Commission on April 13, 2011, and to the Port's Waterfront Design Advisory Committee (WDAC), and BCDC's Design Review Board (DRB) on May 9, 2011. Since that time the design has been modified to respond to comments and will be presented at a BCDC public workshop in September, again at the WDAC and DRB in October, and to the Port Commission in October. Environmental Review for this project is included in the larger environmental review process under the California Environmental Quality Act (CEQA) for the proposed 34th America's Cup event. The draft Environmental Impact Report (EIR) was released on July 13, 2011, and the final EIR is scheduled to be released by the end of 2011. Subject to environmental review and approval, planned construction is slated to occur in 2014.

This series of grants by California State Parks OGALS are focused on the creation of new parks (through land acquisitions or major improvements) in areas that are critically underserved in regards to open space or median income level. The benefits of the Northeast Wharf Plaza are unique in that it will both (a) fulfill an existing strong need for green space in this underserved area, and (b) enhance future uses of the adjacent Cruise Terminal. These opportunities make the Northeast Wharf Plaza and Cruise Terminal project an attractive prospect for development by the Port.

The attached resolution would authorize Port staff to seek $5 million of Proposition 84 grant funds to fully fund the lawn area with its adjacent walls and furnishings as described above. The total cost of the Northeast Wharf Plaza is estimated to be about $12 million, for which the source of funds is yet to be identified. Award decisions for the grant are expected in the early part of 2012. Construction of the lawn area would occur in 2014, following construction activity for the America's Cup event, subject to approval under CEQA.

Port Commission Action

Port staff seeks authorization from the Port Commission for the Executive Director to apply for, accept, and expend grant funds through the Proposition 84 Neighborhood Parks Program as administered by the California Department of Parks and Recreation Office of Grants and Local Services for the great lawn and interpretive elements of the Northeast Wharf Plaza Project. The resolution also allows the Port, if appropriate, to indemnify the State for liability associated with the project, and to seek Board of Supervisors approval to accept and expend the grant funds.

Prepared by: Dan Hodapp
Senior Waterfront Planner

For: Byron Rhett
Deputy Director, Planning & Development

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 11-52

WHEREAS, the California State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Neighborhood Parks Program for Proposition 84 funds, which California voters passed on November 7, 2006, known as the "Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006" (Proposition 84), and setting up necessary procedures governing the application for grants of these funds; and

WHEREAS, the said procedures established by the State Department of Parks and Recreation require the applicant for Proposition 84 funds to certify by resolution the approval of application(s) to the State; and

WHEREAS, the Northeast Wharf Plaza, located on Pier 27 along San Francisco's northeast waterfront, which will feature a large lawn area (Project) as a stand alone component of the Northeast Wharf Plaza, appears eligible for funding under the Proposition 84 Grant Program; and

WHEREAS, the State procedures for application of Proposition 84 funds require the Grant Applicant to certify by resolution the approval of an application to the State; and

WHEREAS, Port staff believe the Northeast Wharf Plaza Project is eligible and an appropriate candidate project for Proposition 84 funds under the Proposition 84 Grant Program; and

WHEREAS, under the terms of the Proposition 84 Grant Program, the City and County of San Francisco, through its Port Commission, will be required to enter into a contract with the State of California to complete the Project as a condition to receipt of grant funds; now, therefore be it

RESOLVED, that the San Francisco Port Commission hereby approves the filing of an application for the Northeast Wharf Plaza project for Proposition 84 funds in the amount of $5,000,000, and

1. Certifies that the Port of San Francisco has or will have available, prior to commencement of any work on the Project included in this application, the sufficient funds to complete the Project should this grant be awarded; and

2. Certifies that the applicant has or will have sufficient funds to operate and maintain the Project; and

3. Certifies that the applicant has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide; and

4. Certifies that this Project is consistent with the Port of San Francisco's Waterfront Land Use Plan and Waterfront Design & Access Element, which describe the location and character of public open space improvements; and

5. Delegates the authority to the Port's Executive Director to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the Project; and

6. Agrees to comply with all applicable federal, State and local laws, ordinances, rules, regulations and guidelines; and, be it further

RESOLVED, that the Executive Director is hereby authorized to execute such additional documents and take such additional actions as is necessary and appropriate, in consultation with the City Attorney's Office, to apply for, accept, and expend the funds for the Project, including, if appropriate, indemnifying the State for liability associated with the Project to the extent approved by the City's Risk Manager and the City Attorney's Office; and, be it further

RESOLVED, that the San Francisco Port Commission further authorizes the Executive Director to seek Board of Supervisors approval to accept and expend the Proposition 84 grant funds if awarded by the California State Department of Parks and Recreation.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 15, 2011.

Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

August 10, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Elaine Forbes
Deputy Director, Finance & Administration

SUBJECT: Request Authorization to Advertise a Request for Qualifications (RFQ) Soliciting As-Needed Real Estate Economics and Related Professional Services

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

INTRODUCTION

Port staff is seeking the Commission's authorization to advertise a Request for Qualifications (RFQ) for as-needed professional services. The objective of the RFQ process is to qualify a pool of up to four consultant teams with expertise in a variety of professional disciplines, including real estate economics, land use planning, urban design / architecture, historic preservation, transportation planning, and others. These services are utilized on Port projects that require highly specialized expertise that does not exist within existing personnel resources due to the limited need for such expertise. In addition, these as-needed consulting resources provide a means to augment staff capacity at times when existing Port and city staff are unavailable to perform the required work due to other project demands.

After the evaluation and scoring of qualified consultants, Port staff will recommend award of professional services contracts to a maximum of the four highest-ranked consultant teams. The contracts will have an initial 3-year term with an option for an additional year at the Port's sole discretion, and a total cumulative not-to-exceed value of $2 million. The contracts will function as master agreements under which the Port will issue Contract Service Orders (CSOs) for specific projects / work scopes as needs arise.

THIS PRINT COVERS CALENDAR ITEM NO. 5C

This contract procurement process is subject to authorization by the Civil Services Commission (CSC); accordingly, Port staff submitted a Personal Services Contract (PSC) request, which was considered and approved at the August 1, 2011 CSC hearing.

BACKGROUND

Prior to the aforementioned CSC hearing, Port staff completed the required 30-day union notification process, and also consulted with staff from the International Federation of Professional and Technical Engineers (IFPTE) - Local 21 and other relevant city agencies to review the proposed PSC in detail and address any concerns that other city departments or Local 21 may have. Port staff confirmed in writing that these interested parties have no objection to the Port's intention of contracting out these services.

Consistent with current practice and assuming that the Port Commission authorizes the issuance of the proposed RFQ, Port staff will continue to notify Local 21 and relevant other city agencies of its intent to utilize these proposed as-needed contracts prior to issuing a CSO, to provide them with an opportunity to respond if they are interested in and capable of performing the required service through an interdepartmental work order.

Existing Port As-Needed Contracts

In FY 2005/06 the Port entered into four (4) master agreements for as-needed real estate economics and related services pursuant to CSC and Port Commission approvals. Each of the master agreements included a maximum dollar value of $550,000, for a cumulative maximum value of $2.2 million. The initial term of the agreements was three years, and the term was extended for an additional year. The existing agreements are now set to expire on December 31, 2011.

The four prime contractors under the existing contracts are: Bay Area Economics (BAE); CBRE Consulting; Economic & Planning Systems (EPS); and Keyser Marsten Associates (KMA). Each of the teams also included a number of subconsultants in a variety of professional disciplines.

Anticipated Needs for Consultant Services

It's difficult to specifically define the Port's needs for consultant assistance during the next 3-4 years because the specific scope of each project is not fully known at this time, which is one of the reasons why it is advantageous for the Port to have the flexibility of an 'as-needed' pool of consultants. However, Port staff anticipates a need for the same types of services as were utilized under the current master agreements, including real estate economics, urban design/architecture, land use planning, historic preservation, and others.

The Port has a number of ongoing as well as anticipated projects that require outside technical assistance. Any potential contract services that are related to projects or potential projects that are subject to environmental review under the California Environmental Quality Act ("CEQA"), will depend upon completion of such environmental review and the Port's sole discretion to proceed with such project and/or services.

The following is a representative list, in no particular order, of known Port projects that we believe will require consultant services, and a brief description of each:

America's Cup Event
Due to the need for waterfront race venues as well as the long-term development potential of specified Port facilities as provided for by the Host City Agreement, which will require the execution of development & disposition agreements (DDAs) and long-term leases, the Port anticipates the need for consultant services leading up to the races in 2013 and beyond. However, the America's Cup event is subject to environmental review required by the California Environmental Quality Act ("CEQA").

Types of services anticipated: real estate valuation and negotiation support; public financing; tenant relocation advisory services; and possibly others.

SWL 337
The Port is currently in negotiations with a development team led by the San Francisco Giants, which was awarded an Exclusive Negotiations Agreement (ENA) for this site by the Port Commission. There is an existing CSO under the CBRE master agreement, primarily for negotiation support and economic/financial analysis of alternative development scenarios (i.e. land uses, densities) under consideration for the site. Those needs will continue beyond the December 31, 2011 expiration of the existing agreement, and will require a new consulting agreement.

Types of services anticipated: real estate valuation and negotiation support; public financing; urban design; site planning; market demand analysis; fiscal impact analysis; and others.

SWL 351 / '8 Washington'
Like the SWL 337 project, the Port currently has consultant assistance on this real estate development project under an existing as needed CSO with Keyser Marsten. The project currently involves an ENA with a private development partner (SF Waterfront Partners). Here again, the need for economic/financial analysis and negotiation support will be ongoing, beyond the end of this calendar year.

Types of services anticipated: real estate valuation and negotiation support; public financing; urban design; site planning; market demand analysis; fiscal impact analysis; and others.

Downtown Ferry Terminal Expansion Project
The Downtown Ferry Terminal Expansion (DTFx) Project, which is still at an early planning stage, is being undertaken jointly by the Port and the Water Emergency Transportation Authority (WETA) pursuant to a Memorandum of Understanding (MOU) between the two agencies. Currently, WETA is handling all of the direct contracting for consultant services for this project; over the next 3-4 years, however, it is likely that the Port will have the need to engage consultant assistance directly.

Types of services anticipated: urban design; transportation planning; historic preservation

Historic Rehabilitation of the Agriculture Building

While it currently is home to a number of Port tenants, the Agriculture Building (located just south of the Ferry Building) is an important historic resource that is in very poor and deteriorating condition. Within the next 3-5 years market conditions may improve enough to allow the Port to move forward with an historic rehabilitation project to restore and adaptively reuse this iconic waterfront structure. If so, it is likely that Port staff will require consultant assistance to solicit and select a private development partner, to provide negotiation support, and to advise on historic preservation and other project-related issues.

Types of services anticipated: negotiation support; market demand analysis; historic preservation; financing

Pier 70

The ambitious plan to redevelop the historic Pier 70 area recently took a major step forward with the Port Commission's award of an ENA to Forest City Enterprises. During the ENA period and beyond (i.e. the next 3-5 years), the Port will require a wide variety of consultant services for the Pier 70 project(s).

Types of services anticipated: negotiation support; market demand analysis; historic preservation; public financing; land valuation analysis; fiscal impact analysis; community relations

A more comprehensive list of the various work tasks and disciplines that may be required is provided below:

Real Estate Economics

Real estate lease negotiations
Site investigation and analysis
Financial feasibility analysis
Development cost forecasting/projections
Market and site feasibility analysis
Marketing and leasing strategic planning
Pre-development/conceptual architectural designs
Lease management analysis
Highest and best use analysis
Development and land use planning
Public/private partnership development transactions structure
Public/private partnership development planning and negotiation
Economic impact analysis
Commercial/industrial/residential/maritime use analysis
Commercial market analysis
Maritime market analysis
Asset management
Public financing mechanisms

Related Services

Historic preservation
Site and master planning

Urban design / Architecture
Maritime and surface transportation planning and analysis
Community relations

SELECTION PROCESS

Port staff proposes to procure the above services through a formal, fair and competitive RFQ process. Port staff will develop scoring criteria to evaluate the responding teams' qualifications. All RFQ submittals that are determined by Port staff to be responsive to the RFQ will be forwarded to an evaluation panel for scoring and ranking of the submittals based on the evaluation criteria.

After negotiating satisfactory contract terms and fees with the highest-ranked consulting firms, Port staff will report to the Port Commission with a recommendation for award of master agreements to no more than four consulting teams.

Local Business Enterprise (LBE) Subconsulting Goal

The Port's Human Rights Commission Contract Compliance Officer has established a 22% Local Business Enterprise (LBE) subconsulting goal for this proposed set of master agreements. In order to be eligible for contract award, each firm responding to the RFQ must pledge good faith efforts to meet the 22% LBE subconsulting goal. In addition, firms competing for this RFQ must demonstrate non-discrimination in their selection of subconsultants.

The Port will incorporate into its advertising, additional outreach efforts to local minority and women owned businesses. The RFQ will be advertised using the following resources:

- Human Rights Commission Directory of Certified Local Business Enterprises
- City and County of San Francisco Office of Contract Administration website
- Newspapers (SF Examiner and Small Business Exchange)
- Various Minority/Women Business and Professional Associations

SCHEDULE

Activity	Target Date
Civil Service Commission Authorization	August 1, 2011
Port Commission Authorization to Advertise	August 15, 2011
Commence RFQ Advertisement	September 1, 2011
Pre-submittal Meeting	September 15, 2011
Submission Due Date	October 15, 2011
Interviews	Week of November 7, 2011
Commission Request to Award Contract	January 10, 2012
New Contracts Commence	February 1, 2012

FUNDING

Funding for these services will be allocated on an annual basis through the Port operating budget. The primary line item source is 'Professional & Specialized Services' within the Planning & Development Division, with an annual appropriation of approximately $500,000.

SUMMARY

Port staff recommends that the Port Commission approve the attached resolution authorizing staff to advertise a Request for Qualifications soliciting as-needed real estate economics and related professional services as described above.

Prepared by: Norma Nelson, Contracts Manager
and
James Hurley, Feasibility Analyst

For: Elaine Forbes, Deputy Director
Finance & Administration
and
Byron Rhett, Deputy Director
Planning & Development

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 11-53

WHEREAS, in 2005, the Port issued a Request for Qualifications ("2005 RFQ") for "Real Estate Economics and Related Consulting Services for Mixed Use Waterfront Development Projects" to support Port staff in its planning and management of mixed-use waterfront projects and public-private partnerships; and

WHEREAS, the Port's current set of as-needed Real Estate Economics and Related Consulting Services contracts executed pursuant to the 2005 RFQ authorization have provided a timely and cost-effective vehicle for the provision of professional services, but those contracts are scheduled to expire December 31, 2011; and

WHEREAS, Port staff requires consultant expertise and assistance in the areas of real estate economics, land use planning, urban design, architecture, historic preservation, transportation planning, and others for projects currently in the planning, negotiations, and entitlement phases as well as for future waterfront projects; and

WHEREAS, Port staff obtained approval from the Civil Service Commission on August 1, 2011, authorizing the Port to contract for such services on an as-needed basis in an amount not to exceed $2,000,000; and

WHEREAS, Port staff seeks, through a Request for Qualifications for Real Estate Economics and Related Consulting Services ("New RFQ"), to create a new "As-Needed" list of pre-qualified consulting teams; and

WHEREAS, in the New RFQ solicitation, staff will incorporate a 22% subcontracting goal for Local Business Enterprises (LBEs) as recommended by the Human Rights Commission (HRC); now, therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes Port staff to advertise a New RFQ for a maximum of four Real Estate Economics and Related Consulting Services contracts, for a total amount not to exceed $2,000,000 and a term of three years, with an option to extend the term for one additional year in the Port's sole discretion, on as-needed basis for consulting services.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 15, 2011.

Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

August 10, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Elaine Forbes
Deputy Director, Finance and Administration

SUBJECT: The Port's Annual Report on Contracting Activity
Fiscal Year 2010-11 (July 1, 2010 through June 30, 2011)

DIRECTOR'S RECOMMENDATION: Accept Annual Report on Contracting Activity

INTRODUCTION

The purpose of this informational report is to provide the Port Commission with regular reporting on the Port's contracting activities. This reporting is consistent with the Port Commission's policies and practices; and in concert with reporting to the Board of Supervisors as required by the City and County of San Francisco through its Administrative Code Section 6.64 and to the Mayor's Office pursuant to Administrative Code Section 14B.15(B). In addition, this reporting is pursuant to an agreement with the International Federation of Professional and Technical Engineers (IFPTE) Local 21 and the Department of Public Works to keep them apprised of contracting and impact to its members who are City and County of San Francisco employees.

The Board of Supervisors periodically makes changes to the manner in which City agencies may procure and execute contracts. In addition, the Mayor or others with administrative authority such as the San Francisco Human Rights Commission and the City Purchaser also make changes. This report summarizes changes to contracting rules and regulations that occurred in FY 2010-11, includes detailed contracting activities for the 3rd and 4th quarter reporting periods not previously reported, summarizes staffing changes for the International Federation of Professional and Technical Employees, and reports on Port projects where the Department of Public Works is performing or managing the work.

THIS PRINT COVERS CALENDAR ITEM NO. 5D

BACKGROUND

The Port engages in a variety of contractual transactions that include: leases, developer agreements, construction contracts, general services contracts and professional services contracts.

The Port contracts out work only when work cannot be performed by the Port or other City employees due to the onetime or limited nature of the work, peak workload obligations, lack of specific expertise required on a temporary basis, or as otherwise required based upon financial risk, funding or other legal requirements. Although construction contracts do not require Civil Service Commission approval, professional services contracts must be approved by the Civil Service Commission.

Port staff monitor the Port's contracting to assure compliance with the various laws, rules and regulations governing its procurement activities with particular emphasis on effectively maximizing contracting with local small businesses (LBEs).[1] In addition, the Port must comply with federal, state and local laws concerning nondiscrimination in contracting. The Port's annual overall goal for LBE subcontract participation is 20%. In addition, the Port encourages LBE firms to compete for prime contracts and use joint venture relationships to strengthen their ability to successfully compete for contracts as individual primes.

Much of the Port's on-going professional services contracting has been performed under as-needed contracts. The Port has ten (10) such contracts established as Master Agreements following a formal competitive Request for Qualifications process. These Master Agreements primarily have a three (3) year term and aggregate value of $8,500,000. The implementation of these as-needed contracts is accomplished through the issuance of Contract Service Orders (CSO). These as-needed contracts are subject to LBE subcontracting goal overall for the Master Agreement and for each CSO. Other scopes of work that cannot be performed by city employees are contracted out following a separate competitive procurement process.

ANNUAL REPORT HIGHLIGHTS

Legislative Changes:

- The City and County of San Francisco (City) continued to make progress in streamlining the contracting process by increasing the dollar threshold for contracting through a formal competitive process. The dollar thresholds increased from $114,000 to $400,000 for construction related and general services contracts and from $50,000 to $100,000 for professional services.

[1] Construction contracts, general services contracts and professional services contracts are subject to the San Francisco Administrative Code Chapter 14B mandatory LBE subcontracting participation requirements unless there is an approved San Francisco Human Rights Commission waiver of the LBE subcontracting goals or the source of funds is Federal or State grant monies.

- The City adopted and is implementing an expanded local hiring policy that includes specific measurable performance requirements on City contracts to increase the employment participation of local residents.

Port Commission Delegated Authority:

- In FY 2010-11, the Executive Director exercised delegated authority to:
 - Execute one contract in the amount of $295,790 to Winzler & Kelly Engineers for a Pier 70 Hazardous Materials Building Survey,
 - Amend the Pier 43 Promenade design contract to reallocate construction administration scope to design work, and
 - Execute a CSO in the amount of $267,918 for the Pier 70, Building 113 Stabilization project.

Local Business Enterprise (LBE) Participation on Port Contracts

- The Port complied with the 14B requirement to award at least 50% of public works contracts estimated to be equal to or less than $400,000 by awarding the one contract meeting this criterion to a Micro-LBE firm. Several other contracts were awarded through the Department of Public Works on behalf of the Port of which 75% were awarded to Micro-LBE firms. The Port also complied with and exceeded the requirement for non public works contracts to set-aside 25 percent of contracts equal to or less than $100,000. One such professional services contract was awarded in the amount of $49,500 to a Micro-LBE firm.

- The Port exceeded its 20% LBE subcontracting goal with **$3,686,656 dollars or 29% of all contract dollars subject to the 14B ordinance being awarded to LBE firms**. Contracts that are not subject to the 14B ordinance such as federally funded projects, Micro-LBE set-aside contracts and sole source contracts are not included in this calculation.

- Firms awarded as-needed professional services contracts[2] with LBE Joint Venture Partners improved from the prior reporting periods, but are still struggling to meet their requirement for LBE Joint Venture partner participation. The Port is closely monitoring award of Contract Service Orders and payments to gain full compliance. Other design contracts awarded to LBE Joint Venture Partners have been successful in achieving the required participation. Based upon a 60/40 JV split these firms achieved the requisite 40% LBE prime joint venture participation.

[2] As-needed professional services contracts are competitively awarded as Master Agreements establishing the terms and conditions in which work will be further assigned and compensation through the issuance of Contract Service Orders (CSOs). A fee schedule is established in the Master Agreement as well as categories of types of services that may be contracted. CSOs are executed once the scope of work is clearly defined under the terms of the Master Agreements.

- The Port utilized Job Order Contracts (JOCs)[3] through the Department of Public Works that resulted in the award of three small construction contracts to local businesses, each under $400,000, but totaling $772,524.

Sole Source Contracts

The Port of San Francisco did not enter into new sole source procurements other than to purchase San Francisco Giants season tickets. Every department is required to provide an update on existing sole source contracts and report new sole source contracts on an annual basis. As such, five such transactions were reported to the Board of Supervisors. A copy of the Port's sole source contract activity report is included as Exhibit 4 to this memorandum.

Local 21 Staffing Activity

- The Port experienced three (3) Local 21 employee separations and twenty (20) appointments. Ten (10) out of the twenty (20) appointments were permanent, eight (8) were temporary and two (2) were Prop F appointments[4]. The temporary positions reflect the Port's use of internship programs to provide employment and skill building opportunities.

- The Port supported general fund departments by using employees in those departments such as the Department of Public Works, Planning Department and Real Estate Department to perform work that the Port otherwise would have hired additional employees to perform.

DISCUSSION

This discussion is intended to provide more detail on the items summarized in the Annual Report Highlights and provide detail on the third (3rd) and fourth (4th) quarter contracting activity.

1. Legislative changes impacting Port contracting activities

Procurement:
During this annual reporting period, various changes to the San Francisco Administrative Code were made to streamline contracting. Specifically, effective January 4, 2011, dollar thresholds for formal competitive bidding increased to the following amounts (from $50,000 for professional services and $114,000 for construction):

[3] Job Order Contracts are similar to as-needed professional services contracts with the exception that they are construction contracts executed under Master Agreements awarded from a competitive bid process.
[4] Prop F employees are retired employees eligible to work 960 hours on temporary, as-needed assignments that benefit from years of experience and for succession planning efforts including monitoring, coaching and knowledge transfer.

- Construction Related Contracts $400,000
- General Services Contracts $400,000
- Professional Services Contracts $100,000

Local Hire Ordinance:
The San Francisco Local Hiring Policy for Construction applies to the following contracts for construction projects advertised for bid after March 25, 2011:

- Construction contracts for public works or improvements; and
- All City and County of San Francisco contracted construction work on City owned or leased property

The Local Hire Ordinance requires contractors and their subcontractors in the first year to attain a minimum of 20% total work hours by trade per project using San Francisco residents and no less than 10% of all projected work hours within each trade performed by disadvantaged San Francisco residents. The program is managed by the Office of Economic and Workforce Development (OEWD) as indicated in the separate report presented to the Port Commission at its July 12, 2011 meeting. The Port has advertised three construction contracts for projects that are subject to the Ordinance: (1) Hyde Street Harbor Joint Operations and Security Building Project, (2) Pier 35 North Apron Repair Project, and (3) Pier 70 Building 113 Temporary Shoring and Stabilization Project.

2. Executive Director's Delegated Authority

In an effort to streamline the Port's contracting process and to be consistent with the San Francisco Administrative Code and the practice of other City departments, the Port Commission on August 19, 2010 (Resolution No. 10-60) increased the Executive Director's delegation authority for public works and improvement contracts from $50,000 to $400,000 and for professional services contracts from $50,000 to $100,000. This change allows the Port's Executive Director the delegated authority to execute and award public works and improvement and professional services contracts at or under the above listed threshold limits without Port Commission review and approval. The Executive Director used this delegation to execute one contract in the amount of $295,790 to Winzler & Kelly Engineers for completing Pier 70 Hazardous Materials Building Survey and related work.

At its August 19, 2010 meeting, the Port Commission also adopted Resolution No. 10-56 delegating authority to the Executive Director to approve contracts and other matters in or affecting Fisherman's Wharf Waterfront in consultation with two Port Commissioners. This authority terminated when four commissioners were seated on the Port Commission. The Executive Director exercised this delegation to execute the 2nd contract amendment to the Pier 43 Promenade design contract with Gerwick/SDE JV. This amendment involved moving funds from the construction administration support phase to the design phase to provide additional contract dollars required for additional design scope. The Port Commission approved a third amendment to that

contract as detailed in the Exhibit 3 to this memorandum that added the construction administration support services scope and fees back into the contract.

Under Port Commission Resolution #09-29 and 09-37, the Port Commission authorized its Executive Director to execute Contract Service Orders up to $500,000, without further review or approval of the Port Commission subject to the requirements of Administrative Code Chapter 6.64 requirements. Chapter 6.64 of the San Francisco Administrative Code limits contract service orders to a maximum of $200,000 per public works project. Contract Service Orders exceeding $200,000 require written justification by the department head establishing the urgency to perform the work under as-needed contracts rather than through a new formal competitive procurement. During the reporting period, the Executive Director authorized one Contract Service Order that totaled $267,918 for the Pier 70 Building 113 Stabilization project. The Executive Director justified the urgency to perform this work through the as-needed contract rather than through a new formal competitive procurement in writing.

3. Third (3rd) and Fourth (4th) Quarter Contracting Activity

. As indicated in the table below, the Port did especially well in the 3rd and 4th quarters, achieving combined participation of 32% or $4,937,252 when including participation from LBE Exempt contracts and Change Orders/Contract Amendments. This participation equals $3,297,072 of contract work to local small businesses under as-needed, construction and professional services.. The Port monitors construction change orders and contract amendments to assure that contracts that are modified adhere to the same LBE participation requirements of the original contract. These transactions added another $1,550,180 or 35% of contract work for local small businesses. Although federally funded contracts prohibit the use of geographical preferences like the City and County of San Francisco 14b Ordinance, the Pier 70 Hazardous Materials contract funded by the Economic Development Administration yielded $90,000 in subcontract work to local small businesses.

Type of Transaction	# of Transactions	Total Dollar Amt.	LBE Amount	LBE %
As-Needed CSOs	20	$784,325	$317,716	41%
Construction	4	$9,625,770	$2,853,776	30%
Professional Services*	3	$147,553	$125,580	85%
Micro-LBE Set-Asides	0	0	0	
Total 14B Applicable Contracts	**27**	**$10,557,648**	**$3,297,072**	**31%**
LBE Exempt Contracts	1	$295,790	$90,000	30%
Change Orders/Amendments	**6**	**$4,389,991**	**$1,550,180**	**35%**
TOTAL LBE PARTICIPATION		**$15,243,429**	**$4,937,252**	**32%**

For a detailed report of the contracting activities for FY 2010-11, please refer to *Exhibits 1, 2 and 3. Although no new sole source contracts were awarded other than the purchase of San Francisco Giants season tickets, other on-going Sole Source Contracts are detailed in Exhibit 4.*

As-needed contracts include LBE Joint Venture participation in addition to the subcontracting/subconsulting participation. Port staff are tracking the LBE Joint Venture participation to assure compliance with the requirements for such LBE participation as well. This status of LBE Joint Venture participation based upon the agreed split of contract budgets is as follows:

Cumulative As-Needed LBE Joint Venture Participation:

As-Needed	JV Split	LBE JV %	LBE Sub %
Engineering As Needed Contracts			
Creegan & D'Angelo/ F.E. Jordan JV	60/40	6%	27.1%
Winzler & Kelly/ SDE JV	60/40	16.4%	34.93%
URS/AGS JV	60/40	10%	23%
Environmental As-Needed Contracts			
Baseline	N/A	N/A	-
Tetra Tech/AEW JV	55/45	2.6%	61.2%
Weiss Associates	N/A	N/A	-

As indicated above from the JV Split and LBE JV %, primes awarded as-need professional services contracts are failing to distribute work to their LBE JV partners in proportion to their agreed JV split percentages. Port staff are continually monitoring LBE Joint Venture participation to assure that at the end of the contract period, those LBE participation requirements are met. (None of the real estate economics as-needed contracts have LBE JV participation as those contracts are not awarded to joint venture legal entities.) LBE participation on the Creegan & D'Angelo/F.E. Jordan JV slightly improved from 4% previously reported which is still far from the required 40%. The remaining JV teams shared even less work with their LBE JV partners during the 3rd and 4th quarters of Fiscal year 2010/11. Port staff will request assistance from the San Francisco Human Rights Commission to help monitor and enforce the Joint Venture agreements with the LBE JV partners.

Other professional services contracts with joint venture participation include the Brannan Street Wharf Project and Pier 43 Bay Trail Link Project awarded respectively to Winzler & Kelly/Structus JV and Gerwick/SDE JV. The LBE joint venture participation is more defined in those contracts based upon scope of work and fees for each JV partner. As such, those contracts are on track to meet their LBE joint venture participation. For the Brannan Street Wharf project, the most recent invoicing reflects $624,476 paid to Winzler & Kelly (non-LBE JV partner) and $414,143 paid to Structus Engineering as the LBE JV partner for a total of 40% JV participation. Likewise, for the Pier 43 Bay Trail Link Project, as the LBE JV partner, Structural Design Engineers has received $212,987 in payments or 40% of the total payments to the JV with B. C. Gerwick receiving $316,441 as the non-LBE JV partner.

4. Annual Contracting Activity

As indicated in the table on the following page, the Port exceeded its annual local business subcontracting participation goal of 20% by achieving LBE subcontracting participation of 29%. In addition, the Port achieved its Micro-LBE set-aside program

goal (at least 50%) by awarding 100% of its eligible contracts to Micro-LBE firms. The following table summarizes the Port's contracting activities on an annual basis.

ANNUAL SUMMARY (New Contracts)					
	Total Prime Contract $	**Total LBE Contract $**	**LBE $**	**LBE %**	**Total # of Contracts**
Construction**	$ 9,625,770	$9,625,770	$ 2,853,776	30%	**4**
Professional Services**	$3,663,343	$3,147,553	$725,580	23%	**7**
***(Not including Micro LBE Set-Aside Below)*					
Total	$13,289,113	$12,773,323	$3,579,356	28%	**11**
MICRO LBE SET-ASIDE CONTRACTS	*50% Micro LBE Set-Aside Goal*	**Total LBE Contract $**	**LBE $**	**LBE %**	**# Contracts**
Construction		$57,800	$57,800	100%	1
Professional		$49,500	$49,500	100%	1
Total Micro LBE Set-Aside Contracts		$107,300	$107,300	100%	**2**
Total LBE Contract $ including Set-Asides		$12,880,623			
TOTAL LBE PARTICIPATION***	LBE Subcontracting Goal is 20%		$ 3,686,656	29%	**13**

**Total Prime Contract $ include contracts that are exempt from the 14B Ordinance due to federal funding.

In addition to the above new contracts, during the fiscal year, existing contracts were changed to add scope, fees or change the contract term. These contracts are summarized as follows:

ANNUAL SUMMARY (Change Orders and Amendments*)					
	Total Change Orders/Amendment $	**Total LBE Contract $**	**LBE $**	**LBE %**	**Total Change Order/Amendment Number**
Construction	$1,775,641	$1,360,430	$50,875	4%	17
Professional Services	$4,680,304	$4,010,137	$1,554,796	39%	12
Total	$6,455,945	$5,370,567	$1,605,671	30%	29

Change Orders are for construction contracts and Amendments are for professional services contracts. Change orders and contract amendments exceeded the Port's 20% subcontracting goal with the achievement of 30% of these transactions being subcontracted to LBE firms.

5. Other Contracting Activities

In addition to the above contracting activities, the Port has been engaged in transactions such as retail leases, negotiated monthly rental agreements, and development agreements. Under the San Francisco Administrative Code 14B Ordinance, the Port is required to assure that Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs) and Other Business Enterprises (OBEs[5]) are not discriminated against in these other Port contracting opportunities. The City's First Source policy applies to leases and to the Port's development partner agreements. The Office of Economic and Workforce Development (OEWD) is responsible for managing the First Source Hiring Program.

Leases Awarded

Port leases are awarded based upon two conditions:

1. Market conditions for property as established by the Port's Monthly Rental Rate Schedule
2. The Port's Retail Leasing Policy adopted through Resolution No. 93-52.

Leases awarded in accordance with the Port's Monthly Rental Rate schedule or otherwise not subject to the Port's Retail Leasing Policy are market driven. As such, the Port considers any entity for leasing that submits a viable lease proposal that is consistent with the Port's land uses and Monthly Rental Rate Schedule.

The Port's Retail Leasing Policy reaffirms the Port's commitment to foster and encourage full and equitable opportunities for leasing retail sites on the waterfront through community outreach and a competitive bid or request for proposal (RFP) process.

The Retail Leasing Policy also allows for direct sole source negotiations of leases with existing retail tenants if the direct and indirect benefits of direct negotiations exceed the benefits of a public offering. The Retail Leasing Policy permits the Port to enter into long-term leases with an existing retail tenant provided that the tenant develops a sound business plan and strategy for capital investment in the leased premises warranting the term length and are subject to Port Commission approval under specific criteria cited in the Retail Leasing Policy.

A separate report on leases is regularly presented to the Port Commission by the Port's Real Estate division. The Port's maritime leases are managed by the Maritime division similarly as the Real Estate division manages the Port's commercial leases. When seeking new opportunities to market the Port, the Maritime division uses Requests for Interest (RFI) to ascertain the competitive market of such opportunities. An example included the RFI for the Pier 96 Bulk Cargo Marine Terminal released March 3, 2011. The purpose of that RFI was to identify one or more qualified maritime cargo terminal

[5] Other Business Enterprises are those local businesses which cannot be certified as minority or women owned.

operators with a proven capability of designing, financing, developing and operating bulk cargo terminals at other ports, who would be interested in expanding into the Port of San Francisco market. As a result, the Port received three responses of which one will be submitted to the Port Commission for further consideration at a later date. At the conclusion of an RFI process, the Port Commission may request to authorize further solicitation of competitive proposals or exclusive negotiations, depending upon the outcome of the RFI.

The Port has been successful in encouraging its tenants to contract with local small businesses and hire local workers. An example includes programs coordinated through the Office of Workforce and Economic Development with BAE Systems. Also, on a monthly basis, Bode Concrete reports to the San Francisco Human Rights Commission (HRC) its utilization of truckers for hauling material to their plant. From January 2011 – June 2011, Bode reports having paid LBE truckers $398,801.

Developer Agreements Awarded

The Port's Planning and Development Division manages the Port's development opportunities. These projects required years of planning and preparation in order to facilitate conversion of unused infrastructure or land space into economically viable commercial, industrial or public use facilities. However, more visible projects underway include the Pier 70 and Seawall Lot 351 proposed development projects.

Developer solicitations include language specifying that respondents to such solicitations are required to assure that contracting and employment opportunities are accessible to local businesses and residents. Respondents are strongly encouraged to incorporate into their plans as they evolve the utilization of local businesses and residents. San Francisco Human Rights Commission staff are available as resources to assist in identifying opportunities for local businesses and the Office of Workforce and Economic Development is engaged with regards to jobs created through the Port's development as the office responsible for the First Source Hiring program.

6. Local 21 Staffing Activity Report

As requested by the International Federation of Professional and Technical Engineers Local 21, staffing Activity for the entire fiscal year is attached as Exhibit 5 to this report.

Projects completed by Other City Agencies

In addition to management of high profile Port projects such as the Pier 27 Cruise Terminal, the Department of Public Works has been authorized to assist the Port with the following projects through interdepartmental work orders:

a. Bureau of Architecture – ADA Exiting Study
b. Bureau of Construction Management – Pier 43 Bay Trail Link Project Construction Support and ADA Improvements
c. Bureau of Engineering – Pier 26 Water Bar HVAC

d. Bureau of Engineering – Pier 28 IDO HVAC PG&E Service Upgrade
e. Bureau of Engineering – Pier 19 Roof Replacement
f. Bureau of Engineering – Pier 94 Backlands Improvements
g. Bureau of Engineering – Pier 94 Ground Subsidence Repairs
h. Bureau of Architecture – Pier 33 Tenant Improvements
i. Bureau of Engineering – Blue Greenway Parks Signage and Furnishings
j. Bureau of Engineering – Tulare Park Design
k. Bureau of Engineering – Heron's Head Park Design
l. Municipal Transportation Agency – Cargo Way Street Design
m. Bureau of Engineering – Cargo Way Design Support and Construction Support
n. Art Commission – Art Enrichment Project
o. Art Commission – Pier 90 Silos Public Art
p. Bureau of Engineering – Port Sanitary Sewer Utility Mapping Design
q. Bureau of Engineering – Pier 50D New Emergency Power Distributor
r. Bureau of Engineering – Pier 80 Security Lighting
s. Bureau of Engineering – Pier 96 sinkhole & Outfall
t. Bureau of Engineering – Taylor Street Improvements Project
u. Bureau of Engineering – Indicator Test Pile for Pier 9
v. Bureau of Engineering– Pier 35 Tenant Improvements for Cruise Terminal Restroom

In addition to the above listed work performed by DPW, the Port has interdepartmental work orders with numerous other City departments for services.

In conclusion, Port staff is pleased to report achievement of the Port's local business enterprise participation goals. Exhibit 6 is a summary of anticipated capital projects based upon the Five Year Capital Plan. Port staff hopes to be just as successful in providing small business opportunities on future projects as it was during fiscal year FY 2010-11.

RECOMMENDATION

The above report is submitted to meet the requirements stated in the report's Introduction. Port staff requests the Port Commission's acceptance of this report.

Prepared by: Norma Nelson
Contract Administrator

Prepared for: Elaine Forbes
Deputy Director
Finance & Administration

cc: Angela Calvillo, Clerk of the Board of Supervisors
Human Rights Commission, Romulus Asenloo
Local 21, IFPTE, Ging Louie

Attachments:

Exhibit 1: New Contract Awards
Exhibit 2: As-Needed Contracting Activity
Exhibit 3: Construction Change Orders/Contract Amendments
Exhibit 4: Annual Sole Source Contracting Report
Exhibit 5: Local 21 Staffing Activity
Exhibit 6: Five Year Capital Projects

Annual Contracting Activity Report
Fiscal Year 2010-2011 (July 1, 2010 - June 30, 2011)
NEW Awarded Contracts* (Exhibit 1)

1st QUARTER (July 1, 2010 - September 30, 2010)

Professional Services

Project Description	Vendor Name	Contract Amt	LBE Dollars	LBE %	Comments
As-Needed Environmental Consulting Services	Tetra Tech/AEW JV	$ 1,000,000	$ 200,000	20%	Issued As-Needed by contract service orders
As-Needed Environmental Consulting Services	Weiss Associates	$ 1,000,000	$ 200,000	20%	Issued As-Needed by contract service orders
TOTAL PROFESSIONAL SERVICES		**$ 2,000,000**	**$ 400,000**	**20%**	
Micro LBE Set Aside					
Graphics and design services for the Blue Green Way Parks Bond project	Kate Keating & Associates	$ 49,500	$ 49,500	100%	
TOTAL PROFESSIONAL SERVICES		**$ 2,049,500**	**$ 449,500**	**22%**	

2nd QUARTER (October 1, 2010 - December 2010)

Construction Services

Project Description	Vendor Name	Contract Amt.	LBE Dollars	LBE %	Comments
Micro LBE Set Aside					
Pier 26 South Bulkhead office HVAC improvements	Avalon Construction Co.	$ 57,800	$ 5,152	100%	Cancelled contract
TOTAL CONSTRUCTION SERVICES		$ 5,152	$ 5,152	100%	Final Contract Amt.

Professional Services

Project Description	Vendor Name	Contract Amt.	LBE Dollars	LBE %	Comments
As-Needed Environmental Consulting Services	Baseline Environmental Consulting	$ 1,000,000	$ 200,000	20%	Issued As-Needed by contract service orders
Environmental Education Programs at Heron's Head Park	Literacy for Environmental Justice	$ 220,000	$ -	0%	LBE Waiver (Approved NTE $415,000)
TOTAL PROFESSIONAL SERVICES		**$ 1,220,000**	**$ 200,000**	**20%**	

3rd QUARTER (January 1, 2011 - March 30, 2011)

Professional Services

Project Description	Vendor Name	Contract Amt.	LBE Dollars	LBE %	Comments
Pier 70 Haz Mat. Environmental Services	Winzler & Kelly	$ 295,790	$ 90,000	30.43%	Federal Contract (Small Business)
TOTAL PROFESSIONAL SERVICES		**$ 295,790**	**$ 90,000**	**30.43%**	

Construction Services

Project Description	Vendor Name	Contract Amt.	LBE Dollars	LBE %	Comments
Pier 80 Shed A & D Roof Replacement	Pioneer Roofing	$ 338,320	$ 338,320	100%	JOC (Final - $187,110)
TOTAL CONSTRUCTION SERVICES					

4th QUARTER (April 1, 2011 - June 30, 2011)

Construction Services

Project Description	Vendor Name	Contract Amt.	LBE Dollars	LBE %	Comments
Mission Bay Shoreline Protection for Bayfront Park Project	Ferma Corporation	$ 1,579,450	$ 442,246	28%	Not including Contingency
Pier 43 Bay Trail Link Project	Vortex Marine Construction	$ 6,383,000	$ 1,723,410	27%	Not including Contingency
Marine Structural Project III	West Bay Builders	$ 1,325,000	$ 349,800	26%	Not including Contingency
TOTAL CONSTRUCTION SERVICES		**$ 9,287,450**	**$ 2,515,456**	**27%**	

Professional Services

Project Description	Vendor Name	Contract Amt.	LBE Dollars	LBE %	Comments
Pier 96 Sinkholes and Seawall Assess	ARUP	$ 25,213	$ 6,911	27.41%	Thru DPW
Port Under Pier Utility Mapping	Hydroconsult Engrs.	$ 115,840	$ 112,169	96.83%	Thru DPW
Pier 9 North Apron	Geotechnical Cons	$ 6,500	$ 6,500	100.00%	Thru DPW
TOTAL PROFESSIONAL SERVICES		**$ 147,553**	**$ 125,580**	85.11%	

ANNUAL SUMMARY					
	Total Prime Contract $	Total LBE Contract $	LBE $	LBE %	Total # of Contracts
Construction**	$ 9,625,770	$ 9,625,770	$ 2,853,776	30%	4
Professional Services**	$ 3,663,343	$ 3,147,553	$ 725,580	23%	7
**(Not including Micro LBE Set-Aside Below)					
Total	$ 13,289,113	$ 12,773,323	$ 3,579,356	28%	11
MICRO LBE SET-ASIDE	50% Micro LBE Set-Aside Goal	Total LBE Contract $	LBE $	LBE %	# Contracts
Construction		$ 57,800	$ 57,800	100%	1
Professional Services		$ 49,500	$ 49,500	100%	1
Total Micro LBE Set-Aside Contracts		$ 107,300	$ 107,300	100%	2
Total LBE Contract $		$ 12,880,623			
TOTAL LBE PARTICIPATION***	20% Total LBE Goal		$ 3,686,656	29%	13

*Based upon contracts encumbered in the accounting system
***Not including LBE JV participation and participation on non-LBE contracts as well as contracts managed by DPW.

Exhibit 2: As-Needed Contracting Activity Report

As Needed Contracts	Cumulative to Date (as of 2nd Qtr)			FY 2010/11 3rd Quarter			FY 2010/11 4th Quarter			Cumulative (Fiscal Year 2010/11)		
Professional Services Consultants	CSO Amt.	LBE Amt.	LBE%	CSO Amt.	LBE Amt.	LBE%	CSO Amt.	LBE Amt.	LBE%	CSO Amt.	LBE Amt.	LBE%
Real Estate												
Bay area Economics	$418,642	$130,490	31.17%	$49,019	$46,685	95%				$467,661	$177,175	37.89%
CBRE Consulting	$328,603	$98,541	29.99%							$328,603	$98,541	29.99%
Economic Planning Sys.	$549,834	$117,079	21.29%							$549,834	$117,079	21.29%
Keyser Marston Assoc.	$123,385	$26,960	21.85%	$75,000	$15,000	20%				$198,385	$41,960	21.15%
Total Real Estate Services	**$1,420,464**	**$373,070**	**26.26%**	**$124,019**	**$61,685**	**49.70%**				**$1,544,483**	**$434,755**	**28.15%**
Engineering & Related Service												
Creegan + D'Angelo/F.E. Jordan	$508,910	$143,586	28.21%	$164,914	$102,941	62.40%				$673,824	$246,527	28.21%
Winzer & Kelly/SDE JV	$473,802	$84,112	17.75%				$232,793	$88,229	37.90%	$706,595	$172,341	17.75%
URS/AGS JV	$682,090	$149,307	21.89%				$4,600	$0	0.00%	$686,690	$149,307	21.89%
Total Engineering& Related	**$1,664,802**	**$377,005**	**22.65%**	**$164,914**	**$102,941**	**62.40%**	**$237,393**	**$88,229**	**37.17%**	**$2,067,109**	**$568,175**	**22.65%**
Environmental & Related Services												
Baseline	$47,288	$5,650	11.95%				$7,500	$0	0%	$54,788	$5,650	10.31%
Tetra Tech/AEW JV	$92,460	$54,861	59.33%	$92,461	$54,861	59.33%	$20,331	$0	0%	$205,252	$109,722	53.46%
Weiss Associates	$0	$0	0%	$52,272	$2,000	3.83%	$85,435	$8,000	46.60%	$137,707	$10,000	7.26%
Total Enviromental & Related	**$139,748**	**$60,511**	**43.30%**	**$144,733**	**$56,861**		**$113,266**	**$8,000**		**$397,747**	**$125,372**	**31.52%**
TOTAL As-Needed Contracts	**$3,225,014**	**$810,586**	**25.13%**	**$433,666**	**$221,487**	**51.07%**	**$350,659**	**$96,229**	**11.30%**	**$4,009,339**	**$1,128,302**	**28.14%**
		3rd & 4th Qtrs Totals		$784,325	$317,716	41%						

Annual Contracting Activity Report
Fiscal Year 2010-2011 (July 1, 2010 - June 30, 2011)
Contract Change Orders & Amendments (Exhibit 3)

1st QUARTER (July 1, 2010 - September 30, 2010)

Construction Services

Project Description	Vendor Name	Amended Amt	LBE $	LBE %	Comments
Pier 45 Drainage Improvement	A & B Construction	$ 49,278	$ -	0%	CO #s 3,4,5,6,7
Pier 19 Roofing	Fine Line Construction	$ 2,688	$ -	0%	CO #1
TOTAL		**$ 51,966**			6

Professional Services

Project Description	Vendor Name	Amended Amt	LBE $	LBE %	Comments
Pier 43 Bay Trail Link Park	Gerwick/SDE JV	$ (2,434)	$ -	0%	#2
Youth Employment & Training Program	San Francisco Conservation Corp	$ 200,000	$ -	0%	LBE Exempt/Annual
TOTAL		**$ 197,566**	**$ -**	**0**	2

2nd QUARTER (October 1, 2010 - December 31, 2010)

Construction Services

Project Description	Vendor Name	Amended Amt	LBE $	LBE %	Comments
Pier 19 Roofing	Fine Line Construction	$ 34,336	$ -	0%	CO #1
Pier 27 Shoreside Power	Cochran	$ 352,740	$ -	$ -	LBE EXEMPT
Pier 45 Drainage Improvement	A&B Construction	$ 62,471			CO #s 8,9,10
Marine Structural Project II	Cowhey Pacific Drillings	$ (15,000)			CO #s 1, 2
Portwide Maintenance Dredging Services	Dutra Dredging Co.	$ 1,230,347	$ -	0%	Annual
SUBTOTAL		**$ 1,664,894**			8

Micro LBE Set Aside					
Pier 33 Sidewalk Improvements	Trinet Construction	$ 50,875	$ 50,875	100%	
SUBTOTAL		**$ 50,875**	**$ 50,875**		
TOTAL		**$ 1,715,769**	**$ 50,875**	**$ -**	1

Professional Services

Project Description	Vendor Name	Amended Amt	LBE $	LBE %	Comments
Real Estate Economics As-Needed	Bay Area Economics	$ -			Extend Term Only
Real Estate Economics As-Needed	Keyser Marston Assoc. Inc.	$ -			Extend Term Only
Real Estate Economics As-Needed	CBRE Consulting	$ -			Extend Term Only
Real Estate Economics As-Needed	Economic Planning Syst	$ -			Extend Term Only
Pier 70 Brownsfield Site Investigation	Treadwell & Rollo	$ 82,470	$ 29,945	36%	#2 Langan Eng& Env.
Pier 43 Bay Trail Link Park	Gerwick/SDE JV	$ 18,183	$ 4,616	25%	#2
TOTAL		**$ 100,653**	**$ 34,561**	**34%**	6

3rd QUARTER (January 1, 2011 - March 31, 2011)

Construction Services

Project Description	Vendor Name	Amended Amt	LBE $	LBE %	Comments
Pier 19 Roofing	Fine Line Construction	$ 7,906	$ -	0%	CO #1
SUBTOTAL		**$ 7,906**			
Micro LBE Set Aside					
Pier 33 Sidewalk Improvements	Trinet Construction				Time Extension
					2

Professional Services

Project Description	Vendor Name	Amended Amt	LBE $	LBE %	Comments
TOTAL					

4th QUARTER (April 1, 2011 - June 30, 2011)

Construction Services

Project Description	Vendor Name	Amended Amt	LBE $	LBE %	Comments
TOTAL					

Professional Services

Project Description	Vendor Name	Amended Amt	LBE $	LBE %	Comments
Pier 27 Cruise Terminal & AC34	KMD/PL Architecture JV	$ 1,935,696	**$ 1,025,919**	**53%**	Design Contract
Pier 27 Cruise Terminal & AC34	Environmental Science Assoc	$ 1,933,564	$ 483,391	**25%**	AC34 Environmental
Pier 43 Bay Trail Link Park	Gerwick/SDE JV	$ 125,128	$ 40,870	33%	#3
Pier 70 Brownsfield Site Investigation	Langan Enging & Env	$ 387,697	$ -		#2 LBE Exempt
TOTAL		$ 4,382,085	**$ 1,550,180**	**35%**	4

ANNUAL SUMMARY					
	Total Change Orders/Amendment $	Total LBE Contract $	LBE $	LBE %	Total Change Order/Amendment Number
Construction	$ 1,775,641	$ 1,360,430	$ 50,875	4%	17
Professional Services	$ 4,680,304	$ 4,010,137	$ 1,554,796	39%	12
Total	$ 6,455,945	$ 5,370,567	$ 1,605,671	30%	29
TOTAL LBE PARTICIPATION* **	20% Total LBE Goal				

INTERDEPARTMENTAL MEMORANDUM

July 14, 2011

TO: Board of Supervisors
Attention: Clerk of the Board

FROM: Monique Moyer
Executive Director

SUBJECT: **Sole Source Contracts for Fiscal Year 2010/2011**

Pursuant to Section 67.24(e) of the Sunshine Ordinance, the Port of San Francisco entered into the following Sole Source Contracts for Fiscal Year 2011/2012. The list also includes existing contracts from previous reporting periods that have not yet expired.

Term	Vendor	Amount	Reason
7/01/10 - 6/30/11	S.F. Giants	$50,812.88 (estimate)	Purchase of season tickets as part of the Port's seat license agreement. Justification: For the Port's use in marketing Port facilities and promoting good will in the community. Some tickets are sold with proceeds returned to the Port's budget.
8/1/09 - 12/31/13	Cochran, Inc.	$ 5,198,000 (not to exceed)	Design, purchase, and installation of shoreside power equipment at Pier 27 and 29. Justification: Ordinance No.125-08 adopted by the Board of Supervisor on July 16, 2008 and modified under ordinance 147-09 on June 30, 2009. Princess Cruises has unique experience in the development of shoreside power resources and assisted the Port in securing grant funding to pay for this valuable asset. Princess Cruise Lines utilizes Cochran, Inc., a Seattle-based electrical engineering contractor to design, install shoreside power facilities.

3/24/2011-3/23/2012	Oracle	$197,414.00	Oracle Financials application software and license renewal. Justification: This software application supports an existing system that is required for ongoing financial operations. Proprietary software maintenance and upgrade licenses, sourced only and directly by the vendor.
3/24/10 – 3/23/11	Oracle	$109,210.64 (annualized)	Support maintenance annual renewal. Justification: Proprietary software maintenance and upgrade license; sourced only and directly by the vendor.
10/1/2010	IBM	$12,528.00	Computer software maintenance. Justification: Maintenance for software where city does not have access to source codes and such access is necessary to perform maintenance.

In summary, the Port has received approval to contract out $5,567,965.52 in sole source purchases or contracts.

cc:

Elaine Forbes, Port Deputy Director for Finance & Administration
Norma Nelson, Port Contract Administrator

Exhibit 5: Local 21 Staffing Activity Report
Fiscal Year 2010/11

1st Quarter
07/01/2010 - 09/30/2010

HIRES

Effective	Class	Title	Division	Appointment Type
7/12/2010	1652	Accountant II	Accounting	Permanent/Full-Time
7/12/2010	5268	Architect	Planning & Development	Prop F Appointment
7/1/2010	5382	Student Design Trainee III	Executive	Temporary Exempt/As-Needed
7/19/2010	9395	Property Mgr, Port	Real Estate	Prop F Appointment

SEPARATIONS

Effective	Class	Title	Division
None			

2nd Quarter
10/01/2010 - 12/31/2010

HIRES

Effective	Class	Title	Division	Appointment Type
12/6/2010	1053	IS Business Analyst - Senior	Information Services	Temporary Exempt/Full-Time
11/29/2010	1824	Principal Admin Analyst	Real Estate	Permanent/Full-Time
10/30/2010	5382	Student Design Trainee III	Planning & Development	Temporary Exempt/As-Needed
11/15/2010	5502	Project Manager I	Executive	Permanent Exempt/Full-Time
10/16/2010	5504	Project Manager II	Executive	Permanent Exempt/Full-Time
10/2/2010	9386	Sr. Property Mgr, Port	Real Estate	Permanent/Full-Time

SEPARATIONS

Effective	Class	Title	Division
11/15/2010	1824	Principal Admin Analyst	Finance & Administration
10/16/2010	5602	Utility Specialist	Real Estate
10/2/2010	9395	Property Mgr, Port	Real Estate

3rd Quarter
01/01/2011 - 03/31/2011

HIRES

Effective	Class	Title	Division	Appointment Type
3/28/2011	5382	Student Design Trainee III	Information Services	Temporary Exempt/As-Needed
3/7/2011	9395	Property Manager, Port	Real Estate	Permanent/Full-Time

SEPARATIONS

Effective	Class	Title	Division
None			

4th Quarter
04/01/2011 - 06/30/2011

HIRES

Effective	Class/Title		Division	Appointment Type
4/18/2011	1043	IS Engineer- Senior	Information Services	Permanent/Full-Time
5/28/2011	1070	IS Project Director	Information Services	Temporary Exempt/Full-Time
4/4/2011	1824	Principal Admin Analyst	Finance & Administration	Permanent/Full-Time
5/2/2011	1824	Principal Admin Analyst	Accounting	Permanent/Full-Time
5/28/2011	5207	Associate Engineer	Engineering	Permanent/Full-Time
5/31/2011	5207	Associate Engineer	Engineering	Temporary Exempt/Full-Time
4/4/2011	5382	Student Design Trainee III	Planning & Development	Temporary Exempt/As-Needed
5/2/2011	5382	Student Design Trainee III	Information Services	Temporary Exempt/As-Needed

SEPARATIONS

Effective	Class/Title	Division
	None	

Exhibit 6: Five Year Capital Plan Projects

Professional Services*	5 -Yr TOTALS	FY 7/11-6/12	FY 7/12-6/13	FY 7/13-6/14	FY 7/14-7/15	FY 7/15-7/16
PROJECT TITLE						
Drydock #1 Disposal		$ 816,900				
Central Basin Dredging		$ 500,000				
Amador St. Forced Sewer Main		$ 300,000				
Pier Repair Project-Phase II		$ 1,005,625	$375,000			
Dredge Testing		$ 750,000	$700,000	$750,000	$750,000	$750,000
Ferry Boat Drydocking			300,000			
Pier 50D Back-up Generators		$ 300,000				
Pier 70 PCB Transformers				1,890,000		
Roof Repair Project					752,714	
Pier Repair			375,000	375,000	375,000	375,000
Cargo Way Design					1,500,000	
Pier 94 & 96 Shoreside Power				550,000		
Islais Creek Open Spaces					1,500,000	
Phase 1 of Crane Cove Park						
Phase 2 of Crane Cove Park					300,000	
Total	**$ 14,915,239**	$ 3,672,525	$1,375,000	$3,565,000	$5,177,714	$1,125,000

Micro-LBE Set Asides	5-yr TOTALS	7/11-6/12	7/12-6/13	7/13-6/14	7/14-7/15	7/15-7/16
Utilities Project (Design)		$ 87,500	$ 100,000	$150,000	$85,000	$82,000
Elevator/Escalator R&R		$ 200,000	$ 300,000			
Utilities Project (Construction)		$ 87,000	$ 104,660	150,000	85,000	82,000
Container Crane Painting Pier 80		$ 400,000				
ADA Transition Plan		$ 100,000		100,000		
Agriculture Building Upgrades			$ 87,500			
Pier 94 & 96 High Mast Lighting			$ 300,000	300,000		
Expand Warm Cove Park					150,000	400,000
Total	**$ 3,350,660**	$ 874,500	$ 892,160	$700,000	$320,000	$564,000

*Professional services are also delivered with as-needed contracts which have 20% LBE subcontracting goals.

Construction Services	5-yr TOTALS	7/11-6/12	7/12-6/13	7/13-6/14	7/14-7/15	7/15-7/16
Marine Structural Project, P3					$320,000	$564,000
Roundhouse 2 HVAC CPU						
Heron's Head Park Improvements		$ 1,600,000				
Amador St. Forced Sewer Main		$ 900,000				
Tulare Park		$ 500,000				
Pier 70, Building 113 Stabilization		$ 500,000			$320,000	$564,000
HSH Joint Ops & Security Team		$ 1,800,000			$320,000	$564,000
Pier 33 Bulkhead Improvements		$ 2,000,000				
Brannan Street Wharf Park		$ 23,000,000				
Pier 70 Abatement				3,000,000		
Dredging		$ 2,545,500	$ 2,595,340	$2,626,000	$3,750,000	$3,016,000
Pier Repair Project, Phase II			$ 3,016,875	$1,125,000		
Drydock #1 Disposal		4,000,000				
Central Basin Dredging		$3,500,000				
Agricultural Building Upgrades			$ 87,000			
Pier 94 & 96 High Mast Lighting			$ 800,000			
Pier 70 Crane Cove Park			$ 9,000,000			
Pier Repair			$ 1,125,000	$1,125,000	$1,125,000	$1,125,000
Cargo Way						$15,000,000
Pier 70 PCB Transformers				$5,670,000		
Pier 27 Cruise Terminal		$40,000,000				
Roof Repair Project				$752,714		
Pier 70 Wharf 6,7,8 Demolition				$3,500,000		
Islais Creek Open Spaces					$1,200,000	
Phase 2 of Crane Cove Park						$10,000,000
Total	**$ 147,183,715**	$ 80,345,500	$ 16,624,215	$13,546,000	$5,835,000	$30,833,000

Grand Total	**$ 165,449,614**
Targeted 20% LBE Subcontracting	**$ 33,089,923**

PORT OF SAN FRANCISCO

MEMORANDUM

August 10, 2011

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Ann Lazarus, Vice President
Hon. Francis X. Crowley
Hon. Doreen Woo Ho
Hon. Leslie Katz

FROM: Byron Rhett
Deputy Director, Planning & Development

SUBJECT: Request adoption of the California Environmental Quality Act (CEQA) Findings and Mitigation, Monitoring, and Reporting Program for and approval of Brannan Street Wharf public open space project, located between Piers 32 and 38, along The Embarcadero, between Brannan and Townsend Streets (Resolution 11- 54)

Summary
The Brannan Street Wharf public open space project (Project) is identified in the Port of San Francisco Waterfront Land Use Plan and the San Francisco Bay Conservation and Development Commission (BCDC) San Francisco Waterfront Special Area Plan, each as amended in 2000, as a major public benefit and improvement of the Port's waterfront open space and public access network. The Port and BCDC plan policies sought a balance of providing major new plazas and parks, and public access; removing designated pier facilities to address BCDC Bay fill objectives; broadening the range of land uses consistent with the Port's Burton Act and public trust responsibilities; and providing recognition of the Port's collection of historic piers and facilities by calling for the nomination of an Embarcadero Waterfront Historic District, for listing on the National Register of Historic Places. These considerations all informed the design and conditions for developing the Brannan Street Wharf, as detailed below. Through persistent efforts by the Port, with support and cooperation by the Rincon Point-South Beach community and BCDC, and by partnering with the U.S. Army Corps of Engineers (USACE), the Brannan Street Wharf project has been designed and completed environmental review, pursuant to requirements under the California Environmental Quality Act (CEQA). Staff recommends adoption of CEQA Findings and the Mitigation, Monitoring, and Reporting Program presented in Attachment 1 and Attachment 2 to the attached Port Commission Resolution No. 11-54, as required under CEQA, and approval of the Brannan Street Wharf Project.

THIS PRINT COVERS CALENDAR ITEM NO. 6A

Brannan Street Wharf Project

The Brannan Street Wharf is a waterfront public park project located between Piers 30-32 and Pier 38, along The Embarcadero, near the intersections with Brannan Street and Townsend Streets, in the Rincon Point-South Beach neighborhood. The Project involves demolition of Pier 36 and Sections 11, 11a, and 12 of the Bulkhead Wharf, a pile-supported platform that runs adjacent and parallel to the Seawall. Following the demolition of these facilities, the Project includes construction of a 57,000 sq. ft. public open space wharf structure for public access and enjoyment of the Bay. The implementation of this Project will be through a partnership between the Port Commission and the U.S. Army Corps of Engineers (USACE), which will carry out the proposed demolition work. The Port will be responsible for constructing the new public plaza and park. The park design includes public plaza and raised lawn area, and a proposed float and gangway for kayaks and other small vessels. The estimated cost to implement the Project is approximately $25 million. Figures 1 and 2 provide an illustration of the Brannan Street Wharf design. Port staff will provide a presentation of further design elements of the Project at the August 15, 2011 Port Commission meeting.

Port and BCDC plan policies for Brannan Street Wharf call for demolition of Pier 36 and construction of the park within a specified timeframe, upon the approval of major development of Piers 30-32. When the Port and BCDC adopted amendments to these plan policies in 2000, the Bulkhead Wharf, Pier 34, and Pier 36 had not been identified as National Register-eligible historic resources. As a result, Pier 34 and Pier 36 were designated for fill removal to satisfy the plan policies in the amended plans.

In 2000, the Port Commission selected a developer, San Francisco Cruise Terminal, LLC (SFCT), which proposed a two-berth cruise terminal and mixed use project on Piers 30-32 and a portion of upland Seawall Lot 330 (SWL 330), known as the Bryant Street Pier project. This major development proposal would have triggered the requirement to construct the Brannan Street Wharf Project which was included in SFCT's obligations under its development agreement with the Port for Piers 30-32. Therefore, the environmental impact report (EIR) prepared for the Bryant Street Pier project included an evaluation of the environmental effects of the Brannan Street Wharf Project. The Bryant Street Pier Final Supplemental EIR (SEIR) was certified in November 2002.

Subsequent to the completion and certification of the Bryant Street Pier Final SEIR, SFCT purchased a part of SWL 330 and completed that component of its project, but abandoned efforts to develop Piers 30-32 and, as such, the Brannan Street Wharf. In addition, further analysis supporting the Embarcadero Historic District nomination determined that Pier 36 and Bulkhead Wharf Sections 11, 11a, and 12 are contributing resources to the Embarcadero Historic District and therefore are historic resources under CEQA, which triggered the need for further CEQA review. While the sale and development of part of SWL 330 generated some funding resources for Brannan Street Wharf, that funding fell far short of implementation requirements. The Port thus sought grant and other alternate funding options, and was successful in securing $3 million in funding for the Project from the Clean and Safe Neighborhood Parks General Obligation Bond Measure approved by San Francisco voters in 2008. In addition, the Brannan Street Wharf Project was supported by passage of the federal Water Resources

Development Act ("WRDA"), which included provisions for authorization and funding through the USACE for the demolition of Pier 36 and bulkhead wharf sections. Accordingly, the Port and USACE are working closely to coordinate the demolition required for this Project.

The demolition of contributing resources to the Embarcadero Historic District is a significant effect that required the preparation of the Brannan Street Wharf Project Final EIR (FEIR). Pier 36, built in 1909, is a 133,000 sq. ft. pile-supported pier. An existing 86,000 sq. ft. deck supports a 35,000 sq. ft. shed building; outboard of the pier deck was an approximately 47,000 sq. ft. timber pile deck that has collapsed into the Bay. The remaining facility is supported by approximately 440 concrete cylinder piles ("caissons"). The west end of Pier 36 connects to Bulkhead Wharf Sections 11, 11a and 12, which is attached to the Seawall. These historic wharves are 20 feet wide, constructed of concrete and steel, and are supported by a mix of concrete and concrete-encased wood piles. The USACE will hire a contractor to carry out the demolition of these facilities. This work also may involve possible repair to the Seawall, which may include sealing cracks, patching spalled concrete, or installation of new piles and tie-backs.

The Brannan Street Wharf will include a 26,000 sq. ft. raised lawn area, and adjacent plaza for passive recreational activities for residents, workers and visitors alike. The park design includes an interpretive exhibit of the site's history, and various park amenities such as tables, chairs, and a shade structure. It also will include installation of a small craft float to provide access between the Bay and shore for hand-powered kayaks and small boats. The removal of Pier 36 and the bulkhead wharf sections will result in a net reduction in Bay fill of approximately 94,800 sq. ft.

The Brannan Street Wharf Final Environmental Impact Report
The Brannan Street Wharf FEIR analyzes the environmental effects of the Project, and focuses on the following topics that were determined to have significant or potentially significant environmental effects: Cultural Resources, Air Quality and Biological Resources. The FEIR also includes a Land Use section to provide context for the analyses. The FEIR provides a detailed evaluation of environmental effects, feasible mitigation measures to address the impacts, and a study of alternatives to lessen or avoid significant environmental effects.

Attachment 1 to proposed Commission Resolution No. 11-54, CEQA Findings, provides a summary of the Brannan Street Wharf Project, the significant and unavoidable adverse environmental impacts of the Project, a list of mitigation measures to mitigate the impacts if the Project is approved, a review of the alternatives studied in the FEIR to avoid or reduce significant effect associated with the demolition of Pier 36 and Bulkhead Wharf Sections 11, 11a, and 12. There were two alternatives studied in the FEIR, Alternative A: No Project; and Alternative B: Preservation Alternative, which calls for reconfiguring the Brannan Street Wharf and preserve and rehabilitate Pier 36 and Bulkhead Wharf Sections 11, 11a and 12. As detailed in the CEQA Findings, both alternatives were rejected and reasons provided for favoring approval of the Brannan Street Wharf Project in spite of the significant impacts associated with the loss of these historic resources . The CEQA Findings include a Statement of Overriding

Considerations finding that the Port Commission finds, after consideration of the FEIR and the evidence in the record, that each of the specific overriding economic, legal, social, technological, and other benefits of the Project as summarized in the Statement independently and collectively outweighs the significant and unavoidable impacts and is an overriding consideration warranting approval of the Project. Attachment 2 to proposed Port Commission Resolution No. 11-54, the Mitigation, Monitoring, and Reporting Program (MMRP) for the Project, describes how each of the FEIR mitigation measures will be implemented.

Recommendation to Adopt the CEQA Findings and the MMRP and Approve the Project

Port staff recommends the adoption of the CEQA Findings and the MMRP and approval of the Brannan Street Wharf Project, despite the significant and unavoidable environmental effect that would occur through the loss of Pier 36 and Bulkhead Wharf Sections 11, 11a, and 12, based on the Port Commission finding, after consideration of the FEIR and the evidence in the record, that each of the specific overriding economic, legal, social, technological, and other benefits of the Project as summarized in the Statement of Overriding Considerations independently and collectively outweighs the significant and unavoidable impacts and is an overriding consideration warranting approval of the Project.

Next Steps

Upon approval of the Project, Port staff will seek approval of a Major Permit by the BCDC Commission. Staff will also continue to coordinate and support the USACE to complete the construction documents, environmental compliance, and permitting necessary for the USACE to bid, award and complete the removal of Pier 36 and the Bulkhead Wharf. The USACE is expecting to bid the removal project this September 2011 and complete work by late spring of 2011. Staff will return this fall to request Port Commission authorization to advertise for construction bids and early next year to request authorization to enter into a construction contract. Substantial completion of the Project is scheduled for June 2013, in time for the proposed 34th America's Cup events.

With ongoing support by the Rincon Point-South Beach community, BCDC, the San Francisco Board of Supervisors, Mayor Gavin Newsom's Office, and ultimately San Francisco voters, the Port sought and secured new sources of funding from Proposition A and WRDA, as well as a collaborative partnership with the USACE. All have been essential to stitch together an implementation strategy to deliver this public park in the heart of the South Beach waterfront. The Port also expresses its thanks and appreciation to Chelsea Fordham and Nannie Turrell of the San Francisco Planning Department, who produced the FEIR without the assistance of EIR consultants. The FEIR also was prepared in close coordination with Facundo Funes and Tessa Bernhardt of the USACE to ensure that the environmental analysis also would address the issues and provide support toward the preparation of an Environmental Assessment to meet requirements of the federal National Environmental Protection Act.

Prepared by:	Diane Oshima Assistant Deputy Director Waterfront Planning	Dan Hodapp Senior Waterfront Planner
	Steven Reel Project Manager	Mark Paez Preservation Planner

Attachments
Figures 1 & 2: Brannan Street Wharf Design
Attachment 1: CEQA Findings
Attachment 2: Proposed Mitigation, Monitoring and Reporting Program

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 11-54

WHEREAS, The Brannan Street Wharf Project ("Project") is identified in both the Port of San Francisco Waterfront Land Use Plan and the San Francisco Bay Conservation and Development Commission ("BCDC") San Francisco Waterfront Special Area Plan as a major public open space in the Port's waterfront open space and public access network along the South Beach waterfront, and includes creation of a Brannan Street Wharf Open Water Basin between Piers 32 and 38 through the removal of Pier 34 (completed in 2001) and the removal of Pier 36 (intended for 2012) to meet BCDC fill removal objectives; and

WHEREAS, The Brannan Street Wharf Project requires demolition of Pier 36 and Sections 11, 11a, and 12 of the Bulkhead Wharf, a pile-supported platform that runs adjacent and parallel to the Seawall, and construction of a 57,000 sq. ft. public open space, which would result in a net reduction of approximately 94,800 sq. ft. of fill in San Francisco Bay; and

WHEREAS, The Brannan Street Wharf is a triangular-shaped park that runs alongside and complements The Embarcadero Promenade, and includes plaza and walkway areas and a raised lawn area that supports passive recreational enjoyment, expansive public viewing, and direct access to the Bay via a floating dock and ramp for small human-powered and craft such as kayaks and row boats; and

WHEREAS, Under the Port and BCDC plans, the development of Piers 30-32 triggers a scheduled program for removing Pier 36 and developing the Brannan Street Wharf; in 2000, the Port Commission selected a developer, San Francisco Cruise Terminal, LLC ("SFCT"), which proposed a two-berth cruise terminal and mixed use project on Piers 30-32 and a portion of upland Seawall Lot 330 ("SWL 330"), known as the Bryant Street Pier project; consistent with the Port and BCDC plans, the Brannan Street Wharf Project was included in SFCT's development obligations for the Brannan Street Pier project and in the overall scope of improvements that were evaluated in the Bryant Street Pier Final Environmental Impact Report (EIR), certified in November 2002; and

WHEREAS, After environmental review of the Bryant Street Pier project under the California Environmental Quality Act ("CEQA") was complete and the Final Supplemental Environmental Impact Report was certified, SFCT purchased a portion of and developed SWL 330, but abandoned efforts to develop Piers 30-32 and, as such, the Brannan Street Wharf; additionally, further analysis supporting the Port's 2004 application to list the Embarcadero Waterfront Historic District on the National Register of Historic Places determined that Pier 36 and Bulkhead Wharf Sections 11,

11a, and 12 are contributing resources to the district and therefore are historic resources under CEQA, which triggered the need for further environmental review and preparation of an environmental impact report ("EIR"); and

WHEREAS, While the sale and development of part of SWL 330 generated some funding resources for the Brannan Street Wharf, it fell far short of the funding requirements and the Port thus sought grant and other funding options and was successful in securing $3 million in funding for the Project from the Clean and Safe Neighborhood Parks General Obligation Bond approved by San Francisco voters in 2008; and

WHEREAS, In addition, the Port secured federal support of the Project through the Water Resources Development Act, which included funding through the U.S. Army Corps of Engineers ("USACE") for the demolition of Pier 36 and bulkhead wharf sections and accordingly, the Port and USACE are partners on this Project and are working closely to coordinate the necessary demolition and new construction details and agency contracting requirements; and

WHEREAS, The proposed demolition of the Pier 36 and Bulkhead Wharf Sections 11, 11a, and 12 contributing resources to the Embarcadero Historic District is a significant effect that required the preparation of the Brannan Street Wharf Final EIR ("FEIR"), which includes the Brannan Street Wharf Draft EIR published on February 9, 2011, and Responses to Draft EIR Public Comments published on June 1, 2011; and

WHEREAS, On June 16, 2011, the Planning Commission reviewed and considered the FEIR in Planning Department Case Number 2009.0418E consisting of the Draft EIR and the Comments and Responses document, and found that the contents of the Final EIR and the procedures through which it was prepared, publicized and reviewed complied with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code, and found further that the Final EIR reflects the independent judgment and analysis of the City and County of San Francisco, is adequate, accurate and objective and that the Comments and Responses document contains no significant revisions to the Draft EIR, and certified the completion of the Final EIR in Motion No. M-18381, and, as of the date of this Resolution, no one has appealed the Planning Commission's action; and

WHEREAS, The Port Commission has reviewed and considered the information contained in the FEIR, all written and oral information provided by the Planning Department, the public, relevant public agencies and the administrative files for the Project and the FEIR; and

WHEREAS, The Project and FEIR files have been made available for review by the Port Commission and the public, and those files are part of the record before the Port Commission; and

WHEREAS, The Planning Department is the custodian of records, located in Case Number 2009.0418E, and those files are part of the record before this Port Commission; and

WHEREAS, Port staff prepared proposed findings, as required by CEQA ("CEQA Findings"), which are attached to this resolution as Attachment 1, and a proposed Mitigation, Monitoring and Reporting Program ("MMRP"), which is attached to this resolution as Attachment 2, and the CEQA Findings and the MMRP were made available to the public and the Port Commission for the Port Commission's review, consideration and action; now therefore, be it

RESOLVED, The Port Commission has reviewed and considered the FEIR and adopts the CEQA Findings and for the Brannan Street Wharf Project and incorporates those findings, including the Statement of Overriding Considerations, in this resolution by this reference; and, be it further

RESOLVED, The Port Commission, in exercising its independent judgment, has relied upon and reviewed the information contained in the CEQA Findings, which describe the Brannan Street Wharf Project and the Brannan Street Wharf FEIR and rejects Alternative A and Alternative B to the Project for the reasons set forth in the CEQA Findings; and, be it further

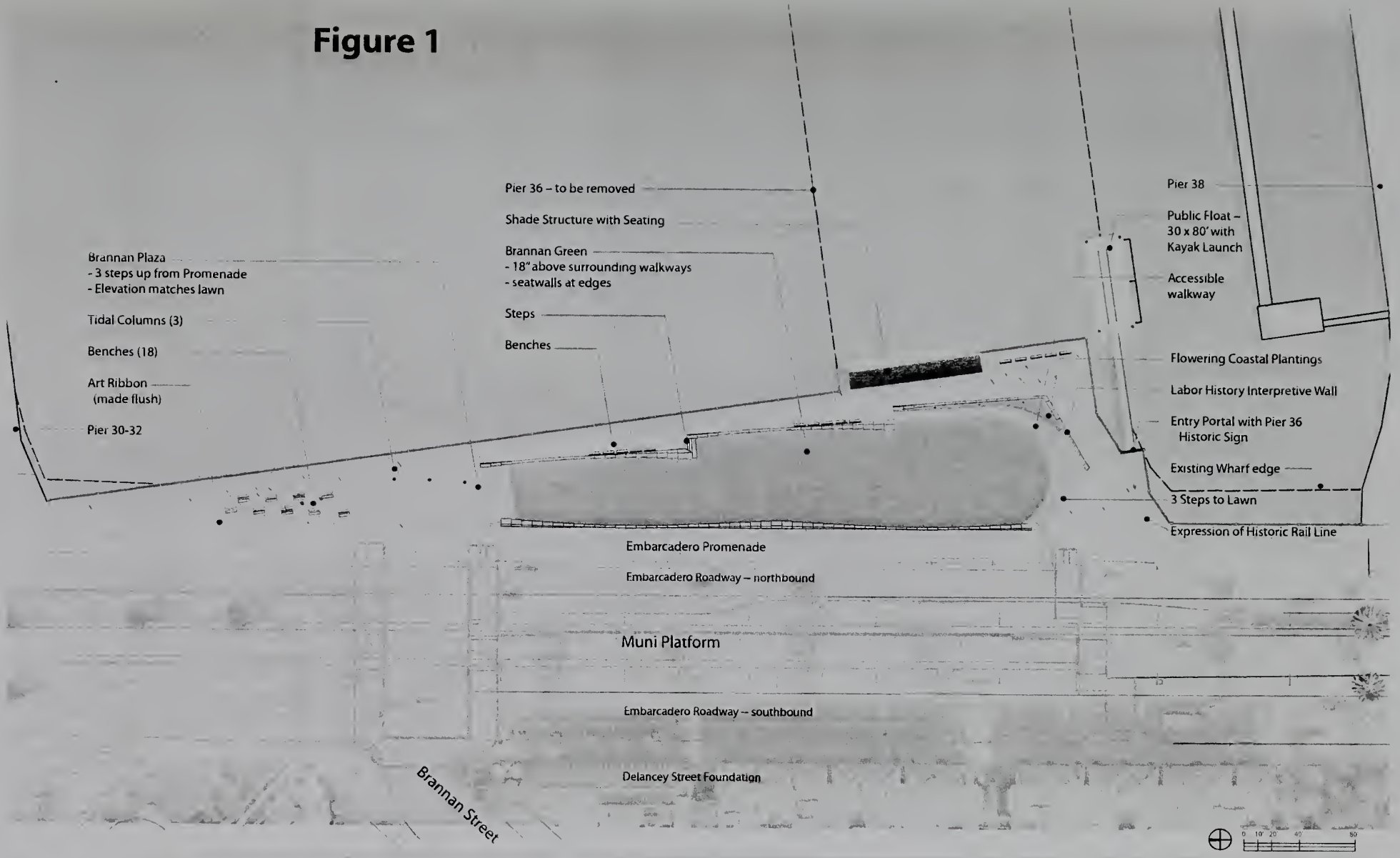
RESOLVED, The Port Commission adopts the MMRP as the required mitigation measures for the Brannan Street Wharf Project to be implemented as part of the Project, and incorporates the MMRP in this resolution by this reference; and, be it further

RESOLVED, The Port Commission approves the Brannan Street Wharf Project, and authorizes the Executive Director to complete construction planning and coordination efforts with the USACE as required, to file permit applications and take any other actions necessary to secure BCDC and other regulatory approvals to implement the Project.

I hereby certify that the foregoing resolution was adopted by the port Commission at its meeting of August 15, 2011.

Secretary

Figure 1

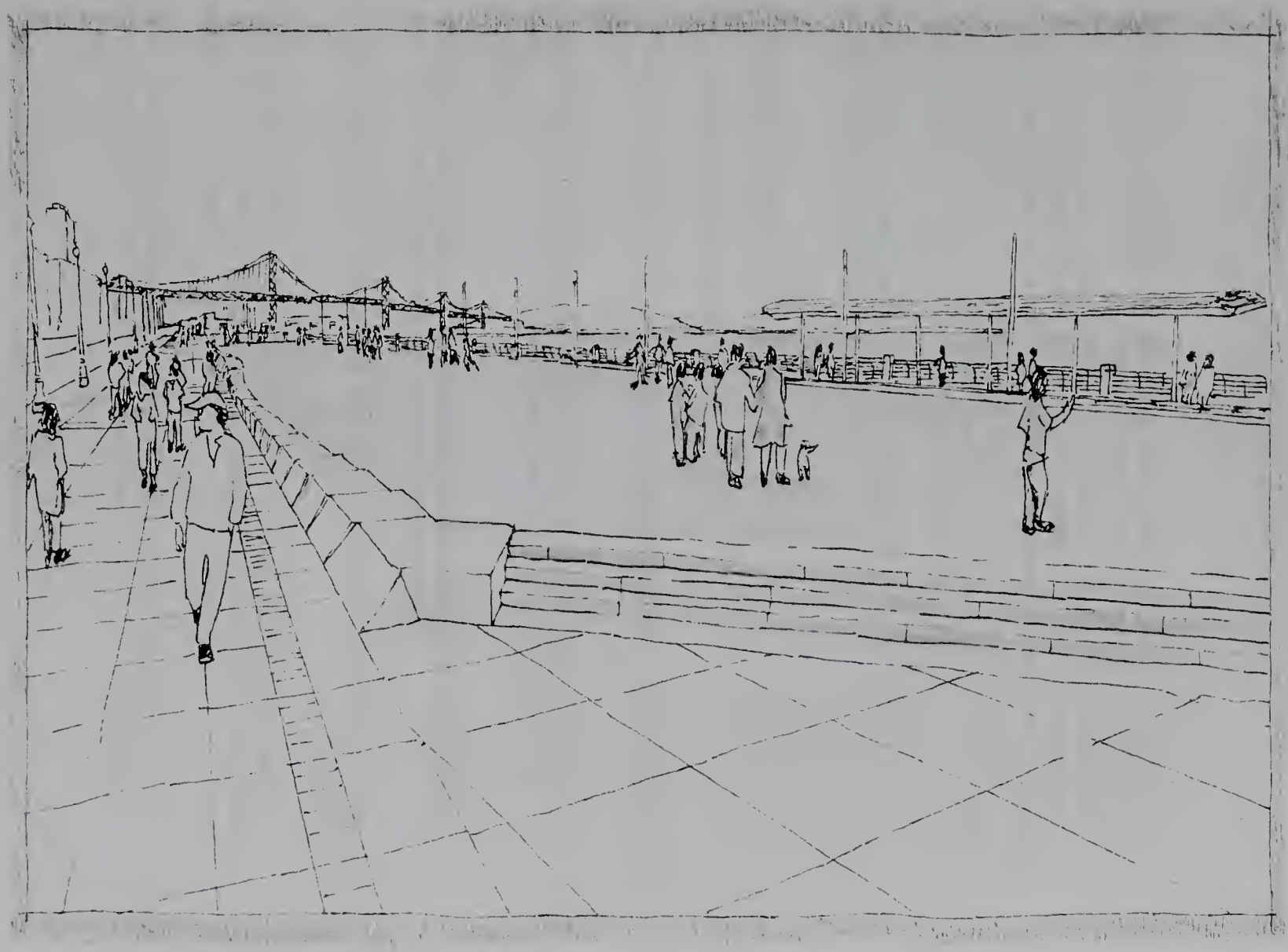


Brannan Street Wharf

Site Plan

Port of San Francisco

Brannan Streeet Wharf
Figure 2



ATTACHMENT 1

CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS OF THE PORT COMMISSION IN APPROVING THE BRANNAN STREET WHARF PROJECT

In determining to approve the Brannan Street Wharf Project ("Project") described in Section III, the San Francisco Port Commission hereby adopts the following findings of fact and decisions regarding mitigation measures and alternatives, and adopts the statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and under the California Environmental Quality Act, California Public Resources Code Sections 21000 et seq. ("CEQA"), the Guidelines for Implementation of CEQA, 14 Cal. Code of Regulations Sections 15000 et seq. (CEQA Guidelines), and Chapter 31 of the San Francisco Administrative Code.

These findings are attached as Attachment 1 to, adopted, and incorporated by reference in Port Commission Resolution. 11-54.

The findings contain the following sections:

Section I is the Description of the Record.

Section II provides a description of the Project proposed for adoption and the approval actions to be taken.

Section III identifies potentially significant impacts that can be avoided or reduced to less than significant levels through mitigation and describes the disposition of the mitigation measures.

Section IV identifies the significant and unavoidable adverse environmental impacts of the project that can not be reduced to a less than significant level.

Section V evaluates the Project alternatives and the considerations that support their rejection.

Section VI presents the statement of overriding considerations setting forth specific reasons in support of the Port Commission's actions and its rejection of the alternatives not incorporated into the project.

The Mitigation Monitoring and Reporting Program is attached as Attachment 2 to, adopted, and incorporated by reference in the Port Commission Port Commission Resolution 11-54

I. DESCRIPTION OF THE RECORD

The public hearing transcripts, a copy of all letters received during the public review period, the administrative record, and background documentation of the Final Environmental Impact Report ("Final EIR" or "FEIR") for the Project are located at the San Francisco Planning Department, 1650 Mission Street, San Francisco. The Planning Department is the custodian of record.

Findings are based on substantial evidence contained in the entire record before the Port Commission. For ease and clarity of reading, specific citations to information in the record upon which each finding is based may have been omitted. Any references set forth in these findings to certain pages or sections of the Draft Environmental Impact Report ("Draft EIR" or "DEIR") or to the Comments and Responses document ("C&R") in the FEIR are for ease of reference and are not intended to provide an exhaustive list of the evidence relied upon for these findings. Nevertheless, in all instances these findings are based on the information contained in the FEIR, as supplemented with information provided by the Port and Army Corps applicant, consultants, and interested parties, and reasonable inferences drawn from such information, identified below. All of this information has been and will continue to be available for public review at the offices of the San Francisco Planning Department and/or the Port of San Francisco. For purposes of CEQA and these findings, the record before this Port Commission includes, without limitation, the following:

A. All application materials and supporting documents submitted by the Project Sponsors, Port of San Francisco and U.S. Army Corps of Engineers;

B. The FEIR, including the Draft EIR, comments received on the Draft EIR, Responses to Comments, staff initiated text changes to the FEIR, and all appendices.

C. The Mitigation Monitoring and Reporting Program for the Project;

D. All public meeting agendas, minutes and reports to the Rincon Point-South Beach Citizens Advisory Committee, Port Commission, and records of community meetings held for the Project, references and material kept in the ordinary course of business associated with the public planning process;

E. All relevant staff and public reports and memoranda kept in the ordinary course of business providing substantial evidence to support these findings, and the FEIR, including attachments, appendices and references kept in the ordinary course of business.

I. PROJECT DESCRIPTION

By this action, the Port Commission approves the Brannan Street Wharf Project, a public open space to be located between Piers 30-32 and Pier 38, along The Embarcadero, near its intersection with Brannan Street, in the Rincon Point-South

Beach neighborhood—the "Project" identified in the Final EIR. The Project involves the demolition of Pier 36 and Sections 11, 11a, and 12 of the Bulkhead Wharf, a pile-supported platform that runs adjacent and parallel to the Seawall. Following the demolition of these facilities, the Project includes construction of a 57,000 sq. ft. public open space wharf for public access and enjoyment of the Bay. The implementation of this Project will be through a partnership between the Port and the U.S. Army Corps of Engineers (USACE), which will carry out the proposed demolition work. The Port will be responsible for constructing the new public plaza and park. The park design includes a public plaza and raised lawn area, and a float and gangway for kayaks and other small vessels. The estimated cost to implement the Project is approximately $25 million.

The Project is identified in Port's Waterfront Land Use Plan, adopted in 1997, and the San Francisco Bay Conservation and Development Commission (BCDC) San Francisco Waterfront Special Area Plan, as amended in 2000, as a major public benefit as part of the Port of San Francisco's waterfront open space and public access network. The Port and BCDC plan policies sought a balance of providing major new plazas, parks, and public access; removing designated pier facilities to address BCDC Bay fill objectives; and preserving the Port's collection of historic piers and facilities in The Embarcadero Historic District, which is listed on the National Register of Historic Places. When the Port and BCDC adopted these plan policies, the resources in the planned historic district had not been studied; therefore, Pier 34, Pier 36, and the Bulkhead Wharf were not identified as eligible historic resources and were designated for fill removal. Pier 34 was removed in 2001.

The plan policies for the Brannan Street Wharf call for the removal of Pier 34, Pier 36, and the bulkhead (or marginal) wharves between Piers 30-32 and 38, and construction of the park within a specified timeframe, upon the approval of major development of Piers 30-32. In 2000, the Port Commission selected a developer, San Francisco Cruise Terminal, LLC (SFCT), which proposed a two-berth cruise terminal and mixed use project on Piers 30-32 and a portion of upland Seawall Lot 330 (SWL 330), known as the Bryant Street Pier project. This major development proposal would have triggered the requirement to construct the Brannan Street Wharf Project, which was included in SFCT's obligations as part of the development of Piers 30-32 under its development agreement with the Port. Therefore, the EIR for the Bryant Street Pier project included an evaluation of the environmental effects of the Brannan Street Wharf Project. The Bryant Street Pier Final Supplemental EIR (SEIR) was certified in November 2002.

Subsequent to the completion and certification of the Bryant Street Pier Final SEIR, SFCT purchased a part of SWL 330 and completed that component of its project, but abandoned efforts to develop Piers 30-32 and, as such, the Brannan Street Wharf. In addition, analysis supporting the Embarcadero Historic District nomination determined that Pier 36 and Bulkhead Wharf Sections 11, 11a, and 12 are contributing resources to the Embarcadero Waterfront National Register Historic District and therefore are historic resources under CEQA, which triggered the need for further CEQA review. While the sale and development of part of SWL 330 generated some funding resources for Brannan Street Wharf, that funding fell far short of implementation requirements. The Port thus sought grant and other funding options and was successful in securing $3 million in funding for the Project from the Clean and Safe Neighborhood Parks

General Obligation Bond approved by San Francisco voters in 2008. In addition, the Brannan Street Wharf project was supported by passage of the federal Water Resources Development Act, which included provisions for authorization and funding through the USACE for the demolition of Pier 36 and bulkhead wharf sections. Accordingly, the Port and USACE have worked closely to coordinate the demolition and new construction required for this Project.

The demolition of contributing resources to the Embarcadero Historic District is a significant effect that required the preparation of the Brannan Street Wharf FEIR. Pier 36, built in 1909, is a 133,000 sq. ft. pile-supported pier. An existing 86,000 sq. ft. deck supports a 35,000 sq. ft. shed building; outboard of the pier deck was an approximately 47,000 sq. ft. timber pile deck that has collapsed into the Bay. The remaining facility is supported by approximately 440 concrete cylinder piles ("caissons"). The west end of Pier 36 connects to Bulkhead Wharf Section 12, which is attached to the Seawall. These historic wharves are 20-foot wide, constructed of concrete and steel, and are supported by a mix of concrete and concrete-encased wood piles. The USACE will hire a contractor to carry out the demolition of these facilities. This work also may involve possible repair to the Seawall, which may include sealing cracks, patching spalled concrete, or installation of new piles and tie-backs.

The 57,000 sq. ft. Brannan Street Wharf will include a 26,000 sq. ft. raised lawn area, and adjacent plaza with an interpretive exhibit of the site's history, and various park amenities such as tables, chairs, and shade structures. It would include installation of a small craft float. The removal of Pier 36 and the bulkhead wharf sections will result in a net reduction in Bay fill of approximately 94,800 sq. ft.

A. Environmental Review

As described above, prior to this FEIR, the Bryant Street Pier Final SEIR evaluated the impacts of the Brannan Street Wharf and conducted a comprehensive environmental analysis. Much of that earlier analysis is still applicable and was incorporated into the preparation of an Initial Study for the Project, which was published in December 2009. The Initial Study (IS) fully addressed several of the required environmental impact topics, identifying mitigation measures that would reduce many of the Project's impacts to less than significant levels. Thus, he FEIR is a focused EIR that addresses the following topics that were determined to have significant or potentially significant environmental effects: Cultural Resources, Air Quality and Biological Resources. The FEIR also included a Land Use section to provide context for the analyses. The FEIR provides a detailed evaluation of environmental effects, feasible mitigation measures to address the impacts, and a study of alternatives to lessen or avoid significant environmental effects.

B. Project Objectives

The objectives of the proposed project include the following:

- To provide a major public park in the South Beach waterfront, which implements Port of San Francisco's objectives contained in the Waterfront Land Use Plan

and Design & Access Element, to create a network of diverse waterfront public open spaces that complements waterfront development and rehabilitation.

- To remove blight.

- To work in partnership with the San Francisco Bay Conservation and Development Commission (BCDC) to implement shared public open space objectives which also meet BCDC policies to remove San Francisco Bay fill, create open water basins, provide high quality public access and public views of the Bay, for the enjoyment of San Francisco Bay Area and San Francisco residents, workers and visitors.

B. Approval Actions

In addition to the Port Commission's approval of the Project, the EIR will be used, in part, for each of the other approvals listed below.

- Certification of the EIR. *Planning Commission action: certification of EIR may be appealed to the Board of Supervisors*
- Approval of expenditure of capital funds. *Board of Supervisors*
- Adoption of CEQA Finding and Mitigation Monitoring Program: *Port Commission*
- Approval of construction contracts and implementation authorizations: *Port Commission*
- Approval of BCDC Permit: *BCDC*
- Approval of pile removal, pile driving, and new construction through formal consultation with resource agencies to obtain environmental compliance permits and authorizations (Biological Opinion, Incidental Harassment Authorization, and 401 Water Quality Certification): *National Oceanic and Atmospheric Administration National Marine Fisheries Service, California Department of Fish and Game, California Regional Water Quality Control Board, USACE*
- Approval of Major Permit for pier removal and wharf construction: *BCDC*
- Completion of design review: *Waterfront Design Advisory Committee and BCDC Design Review Board*
- Demolition and Site Permits. *Port of San Francisco Building Department*
- Special Traffic Permit (for use of a public street space during project construction

(or a pedestrian walkway and closure of one of the northbound lanes of the Embarcadero during one to two months of project construction): *San Francisco Department of Parking and Traffic*

- Soil Management (environmental investigations and a Site Mitigation Plan if the proposed project will disturb more than 50 cubic yards of soil for the repair of the seawall under Article 22A of the San Francisco Health Code): *San Francisco Department of Public Health*

III: POTENTIALLY SIGNIFICANT IMPACTS THAT CAN BE AVOIDED OR REDUCED TO LESS-THAN-SIGNIFICANT THROUGH IMPLEMENTATION OF MITIGATION MEASURES

The IS/FEIR identifies the following potentially significant impacts that can be avoided or reduced to a less than significant level through the implementation of mitigation measures that would be implemented by the Port, USACE, or their construction contractors during demolition and construction phases of the Project. These findings provide the written analysis and conclusions of the Port Commission regarding the environmental impacts of the Project and the mitigation measures included as part of the Final EIR and adopted by the Port Commission as part of the Project. To avoid duplication and redundancy, and because the Port Commission agrees with, and hereby adopts, the conclusions in the Final EIR, these findings will not repeat the analysis and conclusions in the Final EIR, but instead incorporate them by reference herein and rely upon them as substantial evidence supporting these findings.

In making these findings, the Port Commission has considered the opinions of City staff and experts, other agencies and members of the public. The Port Commission finds that the determination of significance thresholds is a judgment decision within the discretion of the City and County of San Francisco; the significance thresholds used in the Final EIR are supported by substantial evidence in the record, including the expert opinion of the EIR preparers and City staff; and the significance thresholds used in the Final EIR provide reasonable and appropriate means of assessing the significance of the adverse environmental effects of the Project.

These findings do not attempt to describe the full analysis of each environmental impact contained in the Final EIR. Instead, a full explanation of these environmental findings and conclusions can be found in the Final EIR and these findings hereby incorporate by reference the discussion and analysis in the Final EIR supporting the determination regarding the Project impacts and mitigation measures designed to address those impacts. In making these findings, the Port Commission ratifies, adopts and incorporates in these findings the determinations and conclusions of the Final EIR relating to environmental impacts and mitigation measures, except to the extent any such determinations and conclusions are specifically and expressly modified by these findings.

As set forth below, the Port Commission adopts and incorporates the mitigation measures set forth in the Final EIR and the attached MMRP to substantially lessen or avoid the potentially significant and significant impacts of the Project. The Port Commission intends to adopt the mitigation measures proposed in the Final EIR. Accordingly, in the event a mitigation measure recommended in the Final EIR has inadvertently been omitted in these findings or the MMRP, such mitigation measure is hereby adopted and incorporated in the findings below by reference. In addition, in the event the language describing a mitigation measure set forth in these findings or the MMRP fails to accurately reflect the mitigation measures in the Final EIR due to a clerical error, the language of the policies and implementation measures as set forth in the Final EIR shall control. The impact numbers and mitigation measure numbers used in these findings reflect the information contained in the Final EIR.

This Port Commission recognizes that some of the mitigation measures are partially within the jurisdiction of other agencies. The Port Commission urges these agencies to assist in implementing these mitigation measures, and finds that these agencies can and should participate in implementing these mitigation measures.

A. IMPACTS IDENTIFIED IN THE FEIR THAT WOULD BE REDUCED TO LESS THAN SIGNIFICANT WITH MITIGATION

Impact CP-3: The proposed project would potentially damage or disturb unknown subsurface archaeological resources.

- This potentially significant impact would be reduced to a less than significant level through implementation of mitigation measure: *M-CP-3 Accidental Discovery.*

Impact BIO-1: Construction of the proposed project would have a substantial adverse effect, either directly or through habitat modifications, on threatened, endangered or protected species.

- This potentially significant impact would be reduced to a less than significant level through implementation of mitigation measures: *M-BIO-1a Pile-driving Noise Measures for Aquatic Species; Mitigation Measure M-BIO-1b Best Management Practices (BMP's)*; and *M-BIO-1c Spill Prevention Control and Countermeasure (SPCC) Plan.*

Impact BIO-2: Operation of the proposed project would diminish and alter sensitive natural communities, critical habitat or special aquatic sites.

- This potentially significant impact would be reduced to a less than significant level through implementation of mitigation measures *M-BIO-1a-1c.*

Impact BIO-3 : Construction of the project would impede the implementation of the Migratory Bird Treaty Act Impact BIO-3 : Construction of the project would impede the implementation of the Migratory Bird Treaty Act

- This potentially significant impact would be reduced to a less than significant level through implementation of mitigation measure *M-BOI-3 Migratory Bird Treaty Act.*

Impact BIO-4: Construction of the project would impede the implementation of the Marine Mammal Protection Act (MMPA)

- This potentially significant impact would be reduced to a less than significant level through implementation of mitigation measure *M-BIO-4 Incidental Harassment Authorization.*

B. IMPACTS IDENTIFIED IN THE INITIAL STUDY THAT WOULD BE REDUCED TO LESS THAN SIGNIFICANT WITH MITIGATION

Impact NO-1: Pile Driving. Pile Driving could expose sensitive receptors to substantial amounts of noise

- This potentially significant impact would be reduced to a less than significant level through implementation of mitigation measure *M-NO-1 Pile Driving*.

Impact HZ-1: Hazardous Building Materials (PCB, Mercury, Lead, and others):

Demolition of the existing buildings could expose project residents, or construction workers to potential hazardous building materials such as PCB-containing electrical equipment

- This potentially significant impact would be reduced to a less than significant level through implementation of mitigation measure *M-HZ-1 Building Surveys*

IV: SIGNIFICANT AND UNAVOIDABLE ADVERSE ENVIRONMENTAL IMPACTS

Based on substantial evidence in the whole record of these proceedings, the Port Commission finds that, where feasible, changes or alterations have been required, or incorporated into, the Project to reduce the significant environmental impacts as identified in the Final EIR and listed below. The Port Commission finds that the mitigation measures in the Final EIR and described below are appropriate, and that changes have been required in, or incorporated into, the Project that, pursuant to Public Resources Code Section 21002 and CEQA Guidelines Section 15091, may substantially lessen, but do not avoid (i.e., reduce to less-than-significant levels), the potentially significant environmental effects associated with implementation of the Project that are described below. The Port Commission adopts all of the mitigation measures and improvement measures set forth in the Mitigation Monitoring and Reporting Plan (MMRP), attached as Attachment 2 to Port Commission Resolution 11-54. The Port Commission further finds, however, for some of the impacts listed below, despite the implementation of feasible mitigation measures and improvement measures, the effects remain significant and unavoidable.

Based on the analysis contained within the Final EIR, other considerations in the record, and the significance criteria identified in the Final EIR, the Port Commission finds that because some aspects of the Project could cause potentially significant impacts for which feasible mitigation measures are not available to reduce the impact to a less-than-significant level, those impacts are significant and unavoidable. The Port Commission determines that the following significant impacts on the environment, as reflected in the Final EIR, are unavoidable, but under Public Resources Code Section 21081(a)(3) and (b), and CEQA Guidelines 15091(a)(3), 15092(b)(2)(B), and 15093, the Port Commission determines that the impacts are acceptable due to the overriding considerations described in Section VI below. This finding is supported by substantial evidence in the record of this proceeding.

Impact CP-1: The proposed project would significantly alter or demolish four contributing resources of the Port of San Francisco Embarcadero Historic District

The Project analyzed in the FEIR reports that the demolition of Pier 36 and Bulkhead Wharf Sections 11, 11a and 12, and construction of the Brannan Street Wharf park would generate a significant and unavoidable impact through the loss of these individual contributing historic resources, although the historic character and integrity of the Embarcadero Historic District would still be retained.

The following mitigation measures would reduce this significant and unavoidable impact, but not to a less than significant level: *M-CP-1a (HABS);* and *M-CP-1b Salvaged Materials.*

Impact CP-2: The proposed Brannan Street Wharf would cause a substantial adverse change to the Port of San Francisco Embarcadero Historic District.

The following mitigation measure would reduce this significant and unavoidable impact, but not to a less than significant level: *M-CP-2 Interpretive Exhibit.*

Impact AQ–2: Construction of the proposed project would violate an air quality standard or contribute significantly to an existing or projected air quality violation

The following mitigation measure would reduce this significant and unavoidable impact, but not to a less than significant level: *M-AQ-2 Construction Vehicle Emissions Minimization.*

Impact AQ–3: Construction of the proposed project would expose sensitive receptors to substantial levels of increased health risks resulting from construction exhaust emissions

The following mitigation measure would reduce this significant and unavoidable impact, but not to a less than significant level: *Mitigation Measure M-AQ-1*

Impact AQ – 6: Operation of the Brannan Street Wharf would expose sensitive receptors to substantial pollutant concentrations with respect to local pollutants

As set forth in the FEIR, no feasible mitigation measures exist to reduce the significance of this impact.

Based on substantial evidence in the whole record, the Port Commission finds that the Project and its conditions of approval have incorporated all applicable feasible mitigation measures and has eliminated or substantially lessened all significant effects on the environment where feasible. The remaining effects listed above are found by the Port Commission to be acceptable due to the overriding considerations set forth below.

V: EVALUATION OF PROJECT ALTERNATIVES

This Section describes the reasons for approving the proposed Project and the reasons for rejecting the alternatives. CEQA mandates that an EIR evaluate a reasonable range of alternatives to the proposed Project or the project location that substantially reduce or avoid potentially significant impacts of the proposed Project. CEQA requires that every EIR also evaluate a "No Project" alternative. Alternatives provide the decision maker with a basis of comparison to the proposed Project in terms of their significant impacts and their ability to meet project objectives. This comparative analysis is used to consider reasonably, potentially feasible options for minimizing environmental consequences of the proposed Project. The FEIR includes an analysis of a second alternative to avoid significant effects associated with the proposed demolition of Pier 36 and Bulkhead Wharf Sections 11, 11a, and 12, in addition to the No Project Alternative. Pursuant to CEQA Guidelines, the Port Commission must consider and adopt or reject the alternatives analyzed in the FEIR. The Port Commission's careful consideration and reasons for rejecting the FEIR alternatives are described below.

A. Alternative A: No Project Alternative

Alternative A is the No Project alternative, which would entail no changes to the project site. The existing Pier 36, warehouse building and Bulkhead Wharf Sections 11, 11a and 12 on the project site would remain, and the Brannan Street Wharf park would not be developed. The No Project Alternative is rejected because it would not meet any of the Project Objectives which call for (1) providing a major public park in the South Beach waterfront; (2) to work in partnership with BCDC to implement shared public open space objectives and to meet BCDC policies to remove Bay fill, create Open Water Basins, provide high quality public access and public views of the Bay. In addition, Alternative A would not meet the Project Objective to remove blight from the waterfront. These pier and bulkhead wharf facilities are in deteriorated condition, having already been condemned and closed to the public. The retention of such facilities would present a hazard for public safety as well as inhibiting public access and enjoyment of the Bay.

B. Alternative B: Preservation Alternative

Alternative B is focused on the preservation of Pier 36 and the reconstruction of the bulkhead wharf, and a reconfiguration of Brannan Street Wharf into the form of a new pier located to the north of Pier 36, providing the same amount of public open space.

Alternative B also would rehabilitate Pier 36 for light industrial use consistent with the U.S. Secretary of the Interior's Standards for the Treatment of Historic Properties (Secretary Standards). Alternative B is rejected because the altered configuration of the Brannan Street Wharf would conflict with adopted policies in BCDC and Port policy plans. The park design as proposed in the Project was the product of a public design planning process where the general orientation is intended to extend along The Embarcadero Promenade rather than extending perpendicular from the Seawall, so as to create an Open Water Basin between Piers 32 and 38. The retention and rehabilitation of Pier 36 in this Alternative also would conflict with BCDC and Port policy plans, because it would impede the creation of this Open Water Basin. Moreover, creation of the new park, while preserving Pier 36 would result in a net addition of Bay fill, which would contradict BCDC's enabling legislation, the McAteer-Petris Act, as well as its adopted plans. Finally, the design and construction costs of the improvements in Alternative B would be substantially greater than those for the Project. In addition to the cost of constructing the new park on the reconfigured pier, Alternative B would require Pier 36 and bulkhead wharf sections to be repaired and seismically upgraded to meet current code requirements, as well as architectural repairs and improvements that uphold Secretary Standards. The estimated cost of Alternative B is $51.5 million, which far exceeds available public funding resources, and is financially infeasible. Alternative B would substantially deviate from the Brannan Street Wharf Project design and use program that was presented to San Francisco voters in the 2008 Proposition A Clean and Safe Neighborhood Parks General Obligation Bond, which provides $3 million in project funding. Moreover, approximately $5 million secured for the Brannan Street Wharf Project through the federal Water Resources Development Act (WRDA) is predicated on the demolition of Pier 36 and Bulkhead Wharf Sections 11, 11a and 12. For the reasons described, the Port Commission rejects Alternative B as unresponsive to the Port's objectives for this Project because the associated costs would be prohibitive, and because the alternative park design would be inconsistent with design concepts and conditions under which a significant amount of the Project's funding (Proposition A and WRDA) was secured.

VI: STATEMENT OF OVERRIDING CONSIDERATIONS

Pursuant to CEQA section 21081 and CEQA Guideline 15093, the Port Commission hereby finds, after consideration of the Final EIR and the evidence in the record, that each of the specific overriding economic, legal, social, technological and other benefits of the Project as set forth below independently and collectively outweighs the significant and unavoidable impacts and is an overriding consideration warranting approval of the Project. Any one of the reasons for approval cited below is sufficient to justify approval of the Project. Thus, even if a court were to conclude that not every reason is supported by substantial evidence, the Port Commission will stand by its determination that each individual reason is sufficient. The substantial evidence supporting the various benefits can be found in the preceding findings, which are incorporated by reference into this Section, and in the documents found in the record of proceedings, as defined in Section I.

On the basis of the above findings and the substantial evidence in the whole record of this proceeding, the Port Commission specially finds that there are significant benefits of the Project in spite of the unavoidable significant impacts, and therefore makes this Statement of Overriding Considerations. The Port Commission further finds that, as part of the process of obtaining Project approval, all significant effects on the environment from implementation of the Project have been eliminated or substantially lessened where feasible. The Port Commission has determined that any remaining significant effects on the environment found to be unavoidable are acceptable due to the following specific overriding economic, technical, legal, social and other considerations.

1) The Project would realize improvements that provide public access, view and open space amenities and public benefits that uphold and realize adopted policies in BCDC's San Francisco Waterfront Special Area Plan, and the Port of San Francisco Waterfront Land Use Plan (and Waterfront Design & Access Element). The Project would create the Brannan Street Open Water Basin between Piers 32 and 38 and, through the removal of Pier 36, would result in the net removal of 94,800 sq. ft. of fill. This would create a new expansive area to view and access the Bay, from an area newly created for the public's appreciation and enjoyment of the Bay.

2) The estimated cost of preserving and rehabilitating Pier 36 and Bulkhead Wharf Sections 11, 11a and 12, on top of the costs for the Brannan Street Wharf, would add at least $25 million, as documented in the FEIR, and would be prohibitive, given the capital funding shortfalls the Port Commission already faces as documented in the Port's 10-Year Capital Plan.

3) In lieu of receiving revenues from the development of Piers 30-32, the Port has struggled over several years to secure alternative funding from many different sources for development of the Brannan Street Wharf, including $3 million in voter-approved funding from the 2008 Proposition A General Obligation Bond measure, and approximately $5 million for the demolition of Pier 36 in the federal Water Resources Development Act. Preservation of the historic resources would undermine these funds, which are conditioned on the removal of Pier 36 and Bulkhead Wharf Sections 11, 11a and 12.

4) The Port Commission recognizes that Pier 36 and Bulkhead Wharf Sections 11, 11a and 12 are contributing resources to the Embarcadero Historic District. However, each of these facilities is in deteriorating and failing condition, and the Chief Harbor Engineer has determined them to be unsafe and closed them to all uses and access. When the Port Commission approved the Brannan Street Wharf related policies as part of amendments to the Waterfront Land Use Plan in 2000, in coordination with BCDC's approval of amendments to its San Francisco Waterfront Special Area Plan, none of these facilities had been identified as eligible resources in the historic resources surveys produced as part of that planning effort. The preservation of these resources would present a trade-off against creating a major waterfront public open space, which would compromise

the Port and BCDC's public access and open space efforts, especially in this strategic part of the waterfront that has undergone much change and transformation into a new, transit-oriented residential and mixed use neighborhood created in the Rincon Point-South Beach area. With the successful development of AT&T Park, and the thousands of fans that attend Giants ballgames by walking and biking along The Embarcadero, the need for waterfront public open space continues to grow. While the demolition of Pier 36 and Bulkhead Wharf Sections 11, 11a and 12 would be a significant environmental effect, the historic character, importance and integrity of the Embarcadero Historic District would remain intact and continue to uphold and reflect San Francisco's rich maritime history and the significance of the Port in the development of the City.

ATTACHMENT 2:
MITIGATION MONITORING AND REPORTING PROGRAM
(Includes Text for Adopted Mitigation and Improvement Measures)

MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Schedule	Monitoring/Report Responsibility	Status/Date Completed
MITIGATION MEASURES FOR THE PIER 36/BRANNAN STREET WHARF PROJECT				
Cultural Resources Mitigation Measures				
M-CP-1a: HABS/HAER Archival Documentation of Pier 36 and Bulkhead Wharf Sections 11a, 11, and 12. The project sponsor shall, at a minimum, ensure that a complete survey meeting the standards of the HABS/HAER is undertaken prior to demolition. This survey shall be completed in accordance with HABS/HAER level II documentation standards as follows: • Prior to demolition, the project sponsor shall provide adequate documentation of the existing resources. The documentation shall be submitted to the City and County of San Francisco Planning Department and found to be adequate prior to authorization of any permit that may be required for demolition of the building. In addition, the project sponsor shall prepare and transmit the photographs and descriptions of the property to the History Room of the San Francisco Public Library and the NWIC of the California Historic Information Resource System. The documentation shall include: • A video documentary of the resources. • Photo-documentation of the resources to HABS Standards. The standard size of negatives and transparencies (and accompanying prints) are 5-by-7 inches. Other large-format sizes such as 4-by-5 inches and 8-by-10 inches are also acceptable for formal documentation. Roll film, film packs, and electronic manipulation of images are not acceptable. Images must be fully identified with the name and location of the structure, a description of the feature or view being photographed, and the direction in which the photograph was taken, as well as the name of the photographer and the date created. • Black and white, 35 millimeter photographs of the interior (Pier 36 shed) and exterior of the resources. Negatives and 5-by-7 inch prints should be processed to meet archival requirements (i.e., negatives must be on safety film only; resin-coated paper is not accepted). • As-built drawings of the resources, produced to HABS/HAER Standards.	Port of San Francisco and U.S. Army Corps. Of Engineers (USACE)	Prior to demolition and construction activities.	Planning Department to approve scope of work for documentation to be submitted by project sponsor	Considered complete upon sponsor's distribution of Planning Department-approved photo documentation.

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• The available original plans of the resources shall be included as part of the documentation. All drawings and site plans shall be appropriate conserved at the site or at a qualified repository.				
M-CP-1b: Salvaged Materials. Prior to demolition of Pier 36, the project sponsor shall consult with the San Francisco Planning Department to determine whether there are character-defining elements of the, other than the historic neon identification sign and the rail spur, that will be incorporated into the design of the Brannan Street Wharf, that are of interest and that can feasibly be salvaged. The project sponsor shall notify local recognized historic preservation organizations such as San Francisco Architectural Heritage and the San Francisco Museum and Historical Society of the opportunity for salvage of additional elements of the resource. Donation of the materials to the historic preservation organization approved by the City shall be confirmed by the Environmental Review Officer (ERO) prior to the Port's issuance of demolition permits.	Port of San Francisco	Salvage plan submitted to Planning Department prior to demolition and construction activities.	Planning Department to approve planned salvage character-defining materials.	Considered complete upon verification by Planning Department of salvage received by organization, before issuance of a building permit.
M-CP-2: Interpretive Exhibit. The inclusion of an interpretive historical exhibit as part of the proposed landscape design of the proposed Brannan Street Wharf would partially mitigate the impact of the project on historical resources. The exhibit would consist of historical images including maps and photographs as well as narrative text to explain and summarize the historical significance of the Port of San Francisco Embarcadero Historic District, as well as significant events that occurred in the South Beach area, including among other things the construction and operation of Pier 36 and the Belt Railroad. The Port would also be required to interpret the site's history by incorporating a commemorative rail mark in the deck of the new Brannan Street Wharf in the approximate location of the existing historic rail spur on the south apron of Pier 36. The interpretative historic exhibit would also include a narrative of the historical importance of this rail mark in the Brannan Street Wharf design. The exhibit would serve as a valuable educational tool and raise the public's awareness and understanding of the Port of San Francisco Embarcadero District.	Port of San Francisco	Interpretive Exhibit plan submitted to Planning Department prior to demolition and construction activities.	Planning Department to approve interpretive exhibit plan.	Considered complete upon verification by Planning Department of interpretive exhibit plan, before issuance of a building permit.
Mitigation Measure M-CP-3 Accidental Discovery. The following mitigation measure is required to avoid any potential adverse effect from the proposed project on accidentally discovered buried or submerged historical resources as defined in *CEQA Guidelines* Section 15064.5(a)(c).				

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MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Schedule	Monitoring/Report Responsibility	Status/Date Completed
The project sponsor shall distribute the Planning Department archeological resource "ALERT" sheet to the project prime contractor; to any project subcontractor (including demolition, excavation, grading, foundation, pile driving, etc. firms); or utilities firm involved in soils disturbing activities within the project site. Prior to any soils disturbing activities being undertaken each contractor is responsible for ensuring that the "ALERT" sheet is circulated to all field personnel including, machine operators, field crew, pile drivers, supervisory personnel, etc. The project sponsor shall provide the Environmental Review Officer (ERO) with a signed affidavit from the responsible parties (prime contractor, subcontractor(s), and utilities firm) to the ERO confirming that all field personnel have received copies of the Alert Sheet.	Port of San Francisco and USACE	Prior to any soils-disturbing activity.	Distribution of "ALERT" sheet among contractors and crew; project sponsor to provide ERO with a signed affidavit.	Prior to any soils-disturbing activity. Considered complete upon ERO approval of affidavit.
Should any indication of an archeological resource be encountered during any soils disturbing activity of the project, the project Head Foreman and/or project sponsor shall immediately notify the ERO and shall immediately suspend any soils disturbing activities in the vicinity of the discovery until the ERO has determined what additional measures should be undertaken.	Head Foreman and Port of San Francisco, USACE	During any soils-disturbing activity.	Notification of ERO if any archeological resources encountered.	During any soils-disturbing activity. Considered complete upon notification of ERO.
If the ERO determines that an archeological resource may be present within the project site, the project sponsor shall retain the services of a qualified archeological consultant. The archeological consultant shall advise the ERO as to whether the discovery is an archeological resource, retains sufficient integrity, and is of potential scientific/historical/cultural significance. If an archeological resource is present, the archeological consultant shall identify and evaluate the archeological resource. The archeological consultant shall make a recommendation as to what action, if any, is warranted. Based on this information, the ERO may require, if warranted, specific additional measures to be implemented by the project sponsor. Measures might include preservation in situ of the archeological resource; an archaeological monitoring program; or an archeological testing program. If an archeological monitoring program or archeological testing program is required, it shall be consistent with the Major Environmental Analysis (MEA) division guidelines for such programs. The ERO may also require that the project sponsor immediately implement a site security program if the archeological resource is at risk from vandalism, looting, or other damaging actions.	Port of San Francisco, USACE, and archeological consultant	Before resumption of any soils-disturbing activity (if suspended)	Archeological consultant shall advise the ERO and ERO may require additional measures	Prior to resumption of soils-disturbing activity. Considered complete upon ERO approval of archeological consultant's recommendations.

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The project archeological consultant shall submit a Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describing the archeological and historical research methods employed in the archeological monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.	Port of San Francisco, USACE, and archeological consultant	Following completion of any required archaeological field program	Archeological consultant submits draft FARR to ERO for approval	Prior to issuance of final certificate of occupancy. Considered complete upon ERO approval of draft FARR
Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Major Environmental Analysis division of the Planning Department shall receive three copies of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.	Port of San Francisco, USACE, and archeological consultant	Following completion of FARR.	Distribute FARR. Submittal to ERO of affidavit of FARR distribution.	Prior to resumption of soils-disturbing activities. Considered complete upon Planning Department receipt of report.
Air Quality Mitigation Measures				
M-AQ-2: Construction Vehicle Emissions Minimization. To reduce construction vehicle emissions, the project sponsor shall incorporate the following into construction specifications: • Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to five minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points. • All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation. 1. The Port of San Francisco (Port) and Army Corps of Engineers	Port of San Francisco, USACE, and construction contractor	Prior to issuance of request for construction bids and during all construction activities	Project sponsor and Planning Department, Environmental Planning (EP)	The project sponsor shall submit a copy of the relevant portion(s) of the construction bid package to EP for inclusion in the project file.

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(USACE) shall ensure that construction contract specifications include a requirement that on-road diesel trucks used to transport spoils consist of 2004 or newer model-year trucks with factory-built engines. All on-road diesel trucks shall be required to have emission control labels as specified in 13 CCR 2183(c). The construction contract specifications shall require that the contractor submit to the Port and USACE a comprehensive inventory of all on-road trucks used to haul spoils. The inventory shall include each vehicle's license plate number, the engine production year, and a notation of whether the truck is in possession of an emission control label as defined in 13 CCR. The contractor shall update the inventory and submit it monthly to the Port and USACE throughout the duration of the project. 2. The Port and USACE shall ensure that construction contract specifications include a requirement that all off-road diesel construction equipment is equipped with Tier 3 diesel engines (or Tier 2 if Tier 3 is not readily available) as defined in 40 CFR Part 89 and are equipped with Level 3 Diesel Emission Control Strategies as defined in 13 CCR 2700–2710. The construction contract specifications shall require the contractor to submit a comprehensive inventory of all off-road construction equipment that will be used an aggregate of 8 hours or more during any portion of project construction. The inventory shall include each vehicle's license plate number, horsepower rating, engine production year, and projected hours of use or fuel throughput for each piece of equipment. The contractor shall update the inventory and submit it monthly to the Port and USACE throughout the duration of the project.				
Biological Resources Mitigation Measures				
M-BIO-1a: Pile-driving Noise Measures for Aquatic Species. Prior to the start of construction, the Port will develop a NMFS-approved sound attenuation and monitoring plan. This plan will provide detail on the sound attenuation system and detail the methods used to monitor and verify sound levels during pile driving activities. The sound monitoring results will be made available to the NMFS.	Port of San Francisco	Prior to the start of construction and during construction activities	Port of San Francisco, USACE, and construction contractor	Considered complete upon receipt of final NMFS-approved sound attenuation and monitoring plan and at

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MEASURES ADOPTED AS CONDITIONS OF APPROVAL	**Responsibility for Implementation**	**Schedule**	**Monitoring/Report Responsibility**	**Status/Date Completed**
• While pile driving may occur during migration periods for some fish species, the USACE and Port will undertake formal consultation with NOAA NMFS and CDFG to address potential impacts to resources. • Pile driving will employ a "soft start" technique to give fish an opportunity to move out of the area. Vibratory hammers will be used to the extent practicable to reduce hydroacoustic effects. • Using bubble curtains in deeper water will further reduce noise levels. If marine mammals are observed within 1,000 feet of the project site, allow them to completely exit the project site before pile driving resumes.				completion of construction
Mitigation Measure M-BIO-1b: Best Management Practices (BMP's). Standard Best Management Practices (BMPs) will be applied to protect individuals of these species and their habitat(s) from pollution due to fuels, oils, lubricants, and other harmful materials. Vehicles and equipment that are used during the course of a project will be fueled and serviced in a manner that will not affect federally protected species in the Biological Study Area or their habitats. The BMP's associated with the proposed project would include the following requirements: • Well-maintained equipment will be used to perform the work, and except in the case of a failure or breakdown, equipment maintenance will be performed off site. Equipment will be inspected daily by the operator for leaks or spills. If leaks or spills are encountered, the source of the leak will be identified, the leak will be cleaned up, and the cleaning materials will be collected and will be properly disposed. • Fueling of marine-based equipment will occur at designated safe locations either off-site or within the project limits (on-site). Fueling of land-based equipment will occur in a staging area or over pavement, and the location will be inspected after fueling to document that no spills have occurred. Spills will be cleaned up immediately using spill response equipment.	Port of San Francisco, USACE, and construction contractor	Preconstruction and Construction	Incorporate appropriate language into contract documents including requirement to implement BMP's and monitor to ensure that the contractor implements measures in contract documents, report noncompliance and ensure corrective action.	Completion of construction

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MEASURES ADOPTED AS CONDITIONS OF APPROVAL	Responsibility for Implementation	Schedule	Monitoring/Report Responsibility	Status/Date Completed
• Offsite fueling will occur at locations covered under the Regional Water Quality Control Boards National Pollutant Discharge Elimination System (NPDES) industrial storm water permit (SIC Code 4493). • If fueling occurs on-site the following precautions will be required to reduce the potential for spills: • Ensure that adequate amounts of oil absorbents and other spill response equipment are easily accessible by boaters and the fueling attendant on the fuel barge (see below); • Provide secondary containment (e.g. berm) around the dispensing area, fuel machinery and any oil storage containers to prevent oil spills; • When it is safe and effective to do so, the designated fueling areas shall have booms installed prior to initiating fueling activities on or over water. The following specifications shall be used when a boom is deployed prior to fueling activities: a. An adequate boom shall be deployed such that it completely surrounds the vessel(s) and facility/terminal dock area directly involved in the fueling activities, or the portion of the vessel and fueling area that provides for maximum containment of any fuel/oil spilled. b. The boom positioning shall be checked periodically and adjusted as necessary throughout the duration of the fueling activity, especially during tidal changes and significant wind or wave events. • Avoid fueling boats from portable fuel containers; • Nozzles should have an automatic shut off feature; • Fuel slowly paying attention to the fuel gauge, the audible alarm once nearly full, or for the changes in pitch as it is filling; • Keep nozzle vertically upright when mounted in the fueling station to avoid drips;				

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MEASURES ADOPTED AS CONDITIONS OF APPROVAL	**Responsibility for Implementation**	**Schedule**	**Monitoring/Report Responsibility**	**Status/Date Completed**
• Do not top-off fuel; • Leave the tank 5-10% empty to allow fuel to expand and not spill out of the vent; • Use an absorbing collar or "donut" pad around the nozzle when fueling to absorb backsplash and any spill; • Use oil absorbents to catch fuel drips and spills while transferring the nozzle between the boat and fuel dock; • Attach containers to the outside of the air vent to catch spills caused by back pressure build up; • Install fuel/air separators in the air vent for a built-in fuel tank or stems of inboard fuel tanks to prevent spills during fueling; • If fueling occurs on-site, the following practices will be required for responding to spills: • Personnel must be trained in the proper use and maintenance of boom and recovery equipment. • Maintain an adequate supply of oil/hazardous spill response materials in readily accessible locations on the fuel barge for boaters and staff; including: a. Absorbent Boom: b. 3 feet of boom per foot of boat c. Enough to encircle largest boat in the construction site. d. Deployment Boat; e. Hydrophobic Mop; f. Absorbent blankets and pillows; g. Non-sparking hand scoops, shovels, and buckets h. Empty Drums or other containers suitable for holding the recovered oil and oily water;				

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i. Sand Bags; j. Miscellaneous Items such as: Rope, Flashlights, Metal Fence Stakes, Straw Bales and weighted spill mats (for covering storm drains); • All boom and associated equipment, including the equipment used to deploy the boom, must be of the appropriate size and design for the environmental conditions encountered in the fueling area based on the manufacturer's specifications. • In the event of a spill, immediately stop spill, contain spill from spreading further, collect and remove spilled materials if possible; • Dispose any used absorbents at oil absorbents collection facilities (which often serve as oil absorbents distribution facilities); • If a spill occurs, the recovery equipment shall be immediately deployed to capture as much fuel/oil as possible. In addition, any remaining boom onsite shall be deployed to contain the fuel and protect the environment while the fuel/oil spill is being recovered. • Within one hour of observing a spill, a boom shall be deployed to completely contain the vessel(s) and barge/facility/terminal dock area directly involved in the fueling activity or the area that provides for maximum containment of any fuel/oil spilled. • Never try to disperse spilled oil in the water using detergents and emulsifiers. Use absorbent booms and pads instead. Follow the Spill Prevention Plan. • Do not use dispersants to treat the oil spill; it is illegal; and • Report the spill to the National Response Center 1-800-424-8802 • The Port of San Francisco will reduce the amount of disturbance within the Biological Study Area to the minimum necessary to accomplish the				

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project. • The Port of San Francisco will exercise every reasonable precaution to protect these species and their habitat(s) from construction by-products and pollutants such as demolition debris, construction chemicals, fresh cement, saw-water, or other deleterious materials. Demolition will be conducted from both land and water, and care will be used by equipment operators to control debris so that it does not enter the bay. During demolition, the barges performing the work will be moored in a position to capture and contain the debris generated during the dismantlement of the building and wharf. In the event that debris does reach the bay, personnel in workboats within the work area will immediately retrieve the debris for proper handling and disposal. • Fresh cement or concrete will not be allowed to enter San Francisco Bay. Construction waste will be collected and transported to an authorized upland disposal area, as appropriate, and per federal, state, and local laws and regulations. • All hazardous material will be stored upland in storage trailers and/or shipping containers designed to provide adequate containment. Short-term laydown of hazardous materials for immediate use will be permitted with the same anti-spill precautions. • All construction material, wastes, debris, sediment, rubbish, trash, fencing, etc., will be removed from the site once the project is completed and transported to an authorized disposal area, as appropriate, in compliance with applicable federal, state, and local laws and regulations.				
M-BIO-1c: Spill Prevention Control and Countermeasure (SPCC) Plan. A Spill Prevention Control and Countermeasure (SPCC) plan will be prepared to address the emergency cleanup of any hazardous material and will be available on site. The SPCC plan will incorporate SPCC, hazardous waste, stormwater and other emergency planning requirements.	Port of San Francisco, USACE, and construction contractor	Prior to the start of construction and during construction activities	Port of San Francisco, USACE, and construction contractor	Completion of construction

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M-BOI-4: Migratory Bird Treaty Act. To the extent feasible, the Project Sponsor will not undertake construction or demolition activities between March 1 and August 1. If construction is anticipated to occur within the nesting season (March 1 through August 1), the following measures.	Port of San Francisco, USACE, and avian biologist	Prior to construction during the nesting season.	Project Sponsor	During construction
• Prior to the nesting season, all potential nesting areas on the roofs of the Pier 36 can be netted to prevent gulls from nesting there. The size of the potential nesting area presents some unique challenges, but bird netting is available in sizes large enough to cover the area required. The netting materials to be used are specifically developed for bird exclusion. The netting shall be inspected weekly to ensure that the barrier is functioning properly.	Port of San Francisco, USACE, and avian biologist	Prior to construction during the nesting season.	Project Sponsor and Avian biologist	Inspected weekly throughout construction
• An alternate method to prevent gulls from nesting on the roof would be to set up a grid of wires (no more than 1 foot squares) across the nesting area, approximately 1 foot or more above the surface. The wires would have to be thin enough to not provide a stable surface for gulls to perch on, but strong enough that they do not break. The grid wires shall be inspected weekly to ensure that the barrier is functioning properly.	Port of San Francisco, USACE, and avian biologist	Prior to construction during the nesting season.	Project Sponsor and avian biologist	Inspected weekly throughout construction.
If netting the entire potential nesting area is not feasible, netting could be installed over smaller areas covering only where the birds are known to nest, followed by hazing of the areas outside the netting. Hazing is the intentional disturbance and removal of nests prior to egg laying to prevent birds from nesting during the construction period. Beginning at least two weeks prior to the onset of nesting season, hazing would require that one or more persons inspect the roof at least every other day with a broom or leaf blower to disrupt any nests outside the netted areas before they have eggs in them (once they have eggs, they can't be disturbed). There must be no more than two days between visits, and hazing must be repeated throughout the nesting season, while construction is occurring.	Port of San Francisco, USACE, and avian biologist	Two weeks prior to the onset of the nesting season.	Project Sponsor and Avian biologist	No more than two days between visits throughout the nesting season while construction is occurring.
M-BIO-4: Incidental Harassment Authorization. An Incidental Harassment Authorization will be obtained from NOAA under the Marine Mammals	Port of San Francisco, USACE, and construction	Prior to the start of construction and during construction activities	Port of San Francisco, USACE, and biologist	Completion of construction

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MEASURES ADOPTED AS CONDITIONS OF APPROVAL	**Responsibility for Implementation**	**Schedule**	**Monitoring/Report Responsibility**	**Status/Date Completed**
Protection Act (MMPA) and compliance with any measures that result from that process shall be implemented during the construction and demolition of the proposed project.	contractor			
Noise Mitigation Measures				
M-NO-1: Pile Driving. The following measures would minimize pile driving noise for adjacent residents: The project sponsor shall require construction contractors use noise-reducing pile driving techniques such as, use cushions between top of pile and the hammer, vibrating piles into place and use predrilling or jetting to help ease pile driving when feasible, and consider use of concrete piles instead of steel piles. The project sponsor shall also require that contractors schedule pile-driving activity for times of the day that would be in accordance with the provisions of the San Francisco Noise Ordinance, to disturb the fewest people.	Port of San Francisco, USACE, and construction contractor	During pile-driving	Employ noise-reducing pile driving techniques.	Following completion of all pile driving activities
Hazards and Hazardous Materials Mitigation Measures				
M-HZ-1: Building Surveys. The project sponsor would ensure that building surveys for PCB- and mercury-containing equipment (including elevator equipment), hydraulic oils, and fluorescent lights are performed prior to the start of renovation. Any hazardous materials so discovered would be abated according to federal, state, and local laws and regulations.	Port of San Francisco, USACE, and construction contractor	Prior to any demolition activities	Project sponsor or contractor shall submit a Monitoring Report, detailing survey results and compliance with the specified measure, to SFDPH for approval after construction. Copies the report shall be sent to the Port and Planning Department.	Considered complete upon agency receipt of SFDPH-approved Monitoring Report

SAN FRANCISCO
PORT COMMISSION

AUGUST 15, 2011
MINUTES OF THE MEETING

GOVERNMENT
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AMY QUESADA, COMMISSION SECRETARY

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
AUGUST 15, 2011

1. **CALL TO ORDER / ROLL CALL**

Commission President Kimberly Brandon called the meeting to order at 9:00 p.m. The following Commissioners were present: Kimberly Brandon, Ann Lazarus, Francis X. Crowley and Doreen Woo Ho. Commissioner Leslie Katz arrived at 9:08 a.m.

2. **APPROVAL OF MINUTES** - July 12, 2011

ACTION: Commissioner Ho moved approval; Commissioner Crowley seconded the motion. All of the Commissioners were in favor; the minutes of the July 12, 2011 meeting were adopted.

3. **ANNOUNCEMENTS:** The Commission Secretary announced the following:

A. **Announcement of Prohibition of Sound Producing Devices during the Meeting** - The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

B. **Announcement of Time Allotment For Public Comments** - A member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

4. **EXECUTIVE**

A. Executive Director's Report: Executive Director Monique Moyer reported the following:

Ms. Moyer thanked the Port Commissioners for changing their schedules and making time for this special meeting.

- City Planning Commission Public Comment Period on the Draft EIR for the 34th America's Cup and Pier 27 James R. Herman Cruise Terminal and Northeast Wharf Project ends August 25, 2011

On Thursday, August 11, 2011, the City Planning Commission had a hearing on the draft EIR for the 34th America's Cup and Pier 27 James R. Herman Cruise Terminal and Northeast Wharf Project. The open public comment period ends on August 25, 2011. There are multiple ways to review the draft EIR, one of which is on line and the second of which is in the lobby at the Port's offices at Pier 1. There are a couple of copies of the draft EIR. Many members of the public have commented, glanced through it and looked for their own area of interest. She complimented Port staff for providing the public that opportunity. The Port is a project sponsor. We are not the regulatory agency who is doing the environmental report. Any comments on the EIR need to go to Bill Wycko, Environmental Review Officer, and Director of the Environmental Planning Division of the SF Planning Department, 1650 Mission Street, San Francisco; or emailed to Joy Navarette, EIR Coordinator, at Joy.Navarette@sfgov.org.

At the draft EIR public hearing on August 11, 2011, there were approximately 40 speakers; six from the environmental council that is working with the City on the EIR. A number of issues were raised. One that the Port is very supportive of reflects the impacts to the Aquatic Park, South Beach Rowing Club and the Dolphin Club and the ability to mitigate impacts so that there are no interruptions in their ability to swim there. We were very pleased to hear those comments and we look forward to working through them.

There were other comments, many of which were recorded in the press. We appreciated everybody's willingness to work with Port staff further and their commitments to both of these projects are big milestones for the Port. A number of those concerns had to do with impacts of the shoreside power system at Pier 27 coming off line as well as the difficulty to analyze the long term development rights as currently drafted since we are still working on those. The high school academy proposal was presented. There were comments about problems for the Ferry Building and other businesses if the Embarcadero was closed to vehicular traffic. It was a very informative discussion. The Planning Commission spent a lot of time on it. They are also interested in finding out more about how to proceed going forward since they don't have approval rights on the projects themselves. There will be more discussions on this item and staff will update the Port Commission at the next meeting.

- <u>Blue Greenway Public Comment Period extended to August 31, 2011</u>

The Port has extended the public comment period for the Blue Greenway Planning and Design Guidelines until August 31, 2011. The next public review of the draft planning and design guidelines will be at the Port's Southern Waterfront Advisory Committee meeting on August 17, 2011 at 6:00 PM at the Eco-Center at Heron's Head Park.

- In Memoriam – Former Port Director/Port Commissioner Eugene Gartland

 Mr. Eugene Gartland, former Port Commissioner (1979-1982) and former Executive Director of the Port (1983-1988) passed away on July 23, 2011 after a long illness. He's survived by two daughters, four grandchildren, and numerous friends throughout the waterfront and the City. A funeral mass was held on Thursday, July 28, 2011 at St. Vincent de Paul church.

 In 1979, he was appointed to the Port Commission by Mayor Dianne Feinstein. At that time, Mr. Gartland, a maritime attorney, was the senior partner in the law firm of Gartland and Tilly and was the general counsel for a major maritime labor organization.

 During his tenure at the Port, Mr. Gartland oversaw, among many other things, the purchase of the former Bethlehem Shipyard and transfer to the property holdings of the Port of San Francisco. By doing this, he was able to sustain San Francisco's thriving ship repair industry, and keep over 400 full time skilled union workers active and contributing to San Francisco's economic benefit. His legacy lives on.

 In 1986, he negotiated:
 - A new agreement with the National Shipping Company of the Philippines at Pier 80
 - A terminal sharing agreement with Japan Lines Limited, identical to the agreement with Evergreen Line, which added 15,000 TEUs to the Port's cargo volume and increased Port's revenue substantially annually
 - A lease with the Chinese province of QuongDong for 30,000 square feet of space at Pier 24 bulkhead
 - An agreement with Island Shipping Lines to the Port, serving Guam and Saipan and together with Lykes Lines brought in additional 100 TEUs per week

 In 1987:
 - He signed and negotiated all of the transfer agreements, personal property bills of sale, and environmental & facility condition inspections affiliated with the Todd Shipyards-to-Southwest Marine transfer of the Port's primary shipyard operation.
 - He was involved in the Port's purchase of the Bethlehem shipyard property at SWL 349.

 On October 28, 1987, Brigadier General George Baxter presented Eugene Gartland an award of distinguished service for his tremendous effort for the success of "Army Days 1987." Army Day

was established as a nationwide observance to draw public attention to national defense.

Eugene Gartland resigned as Executive Director on February 29, 1988.

Ms. Moyer praised Mr. Gartland and remembered him for all of his great efforts. Some of the things we are working on today started a quarter century ago. Our condolences and gratitude to his family for all that they had sacrifice for the City and the Port.

B. Informational presentation on Assembly Bill 418 (Ammiano) delegating to the California State Lands Commission the authority to realign public trust restrictions at Pier 70 and terminate public trust restrictions on Seawall Lot 330.

Brad Benson, Special Projects Manager, indicated that he's representing the Port team that's been working on the Pier 70 project for many years - David Beaupre, Kathleen Diohep, Jonathan Stern, Diane Oshima, Byron Rhett and many others in the Planning & Development Division. There was a key component of the master plan that looked at realigning the public trust designation at Pier 70 in a way that will help promote the master plan. The core of the master plan is to have revenue generating uses. On the waterfront development site, the Port Commission awarded the Exclusive Negotiating Agreement (ENA) to Forest City Development team. That's going to be economic engine to save a lot of the historic buildings, build parks and do other things that we hope Pier 70 can be. This year, Assemblymember Ammiano has come to the Port's aid by authoring AB 418. Today's presentation will show how AB 418 will facilitate the trust exchange at Pier 70 and how we can perform one of our major requirements under the Host Venue Agreement with the America's Cup Event Authority.

In anticipation of getting Forest City on board as a development partner and trying to further the entitlement process at Pier 70, Port staff mentioned earlier including him and Trisha Prashad reached out to the State Lands Commission in January 2011 and started talking about legislation to effectuate the Pier 70 trust swap. Any time there is a trust swap, the State Legislature has to enact a bill in order to authorize the State Lands Commission to effectuate the swap. Assemblymember Ammiano introduced the bill in February. It sailed through the State Assembly without any problems. This morning it's up in the State Senate's Appropriation and it's headed to the suspense file. We are optimistic about it coming off and being voted by the full senate floor. Over the past month or so, we've been negotiating a series of technical but important amendments with State Lands Commission staff.

The public trust represents the Port's mission as enshrined in law. The doctrine originated in Roman law, it travelled through the Magna Carta and English common law to the original 13 colonies. As each state was admitted to the union, it obtained public trust rights to the waterways in those states. In California, the public has certain rights in submerged lands and tidelands, between mean low and mean high tide, whether those lands are filled or unfilled. California has designated the State Lands Commission to administer public trust lands. They administer lands around Lake Tahoe and other areas of the State that have not been granted to local grantees like the Port of San Francisco and they are backed up the California Attorney General. The public trust doctrine is a doctrine of uses that are supported by public trust lands generally limited to those uses that are water related or dependent such as commerce, fisheries and navigation, environmental preservation and recreation, habitat, wildlife refuge or open space. Uses that promote public trust uses or accommodate the public's enjoyment of public trust lands. As grantee we hold these lands not just for the people of the City and County of San Francisco but for the people of the State. One of the suite of uses that are permitted are visitor serving uses such as retail like Pier 39, hotel or restaurant uses so that people around the State can come to San Francisco and enjoy the lands that we hold in trust for them.

Pier 70 is a 60+ acre brownfield site on the central waterfront at the foot of Potrero. Portions of the site have been on continuous use for ship repair or ship building for 150 years. The federal government owned this site until 1967. It was a base closure before the concept of base closures. Port staff undertook several years long of master planning process with a vision to create a historic district that can be listed on the National Register of Historic Places with major waterfront open spaces, a center for innovative industries and preservation of that important ship repair operation that employ so many workers in San Francisco.

The title history of Pier 70 is a bit complicated. It's the reason that we need state legislation to resolve these issues and to allow development to go forward. The Port acquired a big portion of Pier 70 through the Burton Act and another portion from the Bethlehem Steel Corporation. Portions of the site are historic uplands. There were never tidelands and never subject to the common law public trust. Those areas are currently subject to Burton Act requirements. Several parcels have been in and out of private, State and federal ownership.

Bill White, from Shute Mihaly and Weinberger, indicated that the history of Pier 70 is interesting. Most of the land that the Port owns in its portfolio is subject to the trust. Virtually all of it came from the State via the Burton Act. Most of the lands that were owned by the State and the City were tidelands, thus subject to the trust. Pier 70 is the major exception and it's given us this rare opportunity to do an internal trust swap without having to look outside of the Port's own holdings to effectuate the trade.

One of the earliest conveyances of property at the site is in the light green area at the bottom of the map. The tideland portions of that rectangle were owned by the State. They were conveyed to the Pacific Railway Mills Company in the early 1860s, the first industries in this part of the city. They had a major iron mill that was operating on the upland portion. The State granted those lands to the company in 1863. It is unclear whether that grant was intended to free the tidelands from the trust or not. There are differing opinions on that. We have been conservative and treated those lands as potentially subject to the trust today, notwithstanding that private grant. We have treated them as lands in the trust today. For point of reference, the blue line in the map running through the middle of the property was the historic shoreline. That was where the high tideland was at Statehood. All of the green area shaded to the right of that was lands granted by the State to Pacific Railway Mills.

The second grant that occurred around 1868 was the yellow area in the map. The State Board of Tidelands Commissioners were responsible for mapping out a shoreline in San Francisco in order to get to deeper water and then selling off the tidelands that were landward of the shoreline into private ownership at auction. It was a way for the State to raise money and create a better waterfront for San Francisco. These lands were ultimately acquired by the predecessor interest to Bethlehem Steel, the Union Irons Works. The Union Iron Works became one of the greatest ship building companies on the West Coast, probably the greatest. This is where it all happened. Those lands we know from well-developed case law are free of the trust or at least the ones that were filled. There's a portion that was hatched that was actually never filled, despite of their ownership. There's a bit of a question mark as to the trust status of those lands but everything in yellow including the streets which typically the State reserves streets from sale but a court in the 1950s confirmed all those lands in private ownership, free of the trust and consequently those lands were never conveyed to the Port by the Burton Act.

The remainder of the site is historic uplands. Those uplands are adjacent to what had been the Pacific Railway Mills property. Ultimately Pacific Railway Mills sold that property to Risdon Iron Works. Risdon was another major producer of iron and had a major facility. Ultimately that land was acquired by the federal government during World War II. The federal government held that property until 1967 at which point it was acquired by the State. We're not exactly sure why it was acquired by the State but we know from records that it was. That was a year before the Burton Act. A year later the State turned around and transferred that property under the Burton Act to the Port which is why the Port is holding a major area of historic uplands not subject to the trust. These lands are subject to the Burton Act which is why the Port turned around and sold them into private ownership. The Burton Act restrictions on the use of those properties can be modified by statute. That was one of the main reasons we have moved forward with AB 418.

He showed a composite picture of what the trust looks like on the property today. On the bottom is the land subject to the trust including a number of lands pretty distant from the waterfront. There are street areas that were never conveyed by the State into private ownership and were conveyed subject to the trust to the Port by the Burton Act. The yellow and grey are the areas that we believe are not subject to the trust today but are subject to the Burton Act trust or at least the uplands or the orange area are subject to the Burton Act trust. There's a dispute for the remainder of the area as to what rules govern there because they were acquired by the Port supposedly with trust money but it was only a dollar of trust money, supposedly that came out of Eugene Gartland's pocket. The Port may have never spent a dollar on that property. A great deal of the waterfront itself is not in the trust according to this map. Whereas some backlands that aren't needed for trust purposes are shown in green and could be subject to the trust. That's why this property was calling out for an exchange. Here is what we think the trust should look like on the property. The green area, at the end of the exchange, would be in the trust. The yellow areas would be out of the trust. If we take the yellow land out of the trust by this exchange we would also be removing all restrictions imposed by the Burton Act. The Burton Act contains restrictions that are very similar to the trust. Those lands could be sold by the Port. They could be leased to private owners. They could be used for any purpose; it could be residential, commercial, office. Things that are typically prohibited on trust lands. The green is comprised mainly of existing ship facility and a series of waterfront parks along the remainder of the waterfront along with a couple of key street access ways that allow the public to get to the waterfront. Under this proposal, the trust comes out ahead in terms of acreage. We think this is a far superior configuration for the trust. He pointed out a major aspect that makes the AB 418 important and that is there are some major historic buildings at the site. Normally buildings on trust lands are subject to the same use restrictions as other trust lands. The State has been a bit more flexible because those buildings are pre-existing and they don't want the space to go to waste but they are still very reluctant to allow uses other than trust consistent uses in those buildings even though the cost of restoring those buildings are usually astronomical and the traditional suite of trust uses is insufficient to allow those to be restored. What we have done is that the red buildings are the historic buildings that are actually on trust lands. We have provided some additional flexibility in the statute to allow non-trust uses in those buildings provided the public can access them and provided that they are restored consistent with federal standards set forth by the Secretary of Interior. Some of the key historic buildings are in yellow. On those buildings, we retain complete flexibility to use the inside of those buildings for any purpose whatsoever. That will assist the Port in obtaining financing for the renovation and preservation of those buildings.

Brad Benson credited Whitney Berry and David Beaupre for producing the fabulous maps.

Brad Benson went over the other requirements for AB 418 related to Pier 70. A lot of the requirements are standard requirements for any trust exchange. The lands to be exchanged out of the trust must be found to be useless for trust purposes. The monetary value of the lands added to the trust must be greater than or equal to the value of the lands that are removed from the trust. The exchange cannot interfere with trust uses. At Pier 70, we're enhancing the ship repair function through the master plan. Lands impressed with the trust must provide a significant benefit to the trust. Examples of that are the shoreline parks that are being created at Pier 70 that will provide great public value and appreciation of the bay. Remediation issues must be addressed. Carol Bach has been working closely with the Regional Water Quality Control Board (RWQCB) with the site investigation of Pier 70. The requirement before the trust exchange can be finalized is that a remedial action plan must be approved by the RWQCB before the swap can happen. State Lands Commission would to ensure that the trust does not receive lands that have no way of being cleaned up and used effectively for trust purposes.

Both the State Lands Commission and the City must approve the exchange. After the bill is adopted and signed by the Governor, Port staff will return to the Port Commission with the final proposal based on the work seen today. The Board of Supervisors would also have to weigh in. The State Lands Commission does a lot of title and survey work associated with the exchange to make sure that everything is legal.

The Port could continue to hold the non-trust lands at Pier 70. This is unusual in that normally, after a trust exchange, the assumption is that the grantee is going to sell the non-trust lands. It took a lot of creative work with State Lands to get them comfortable that the Port would continue to hold these lands. One of the ways in which they became comfortable with that idea is that revenues from the non-trust areas after the trust swap would go into the harbor fund so it would be a benefit to the trust. They also agreed to a provision that would allow the Port, at its discretion, to use Port revenue bonds as a financing vehicle for publicly oriented improvements on those non-trust lands, which is infrastructure district proceeds and the ability to use Port revenue bonds to make improvements to streets, utilities, historic buildings, parks, etc. that are non-trust lands. However, the Port must first have to demonstrate that overall the trust was out of the entire Pier 70 master plan and the trust was receiving more investment from non-trust sources than the Port was investing its proceeds in the non-trust lands. That is a test that we are going to meet. The preliminary calculations put together by Kathleen Diohep show $300 million benefit to the trust at Pier 70.

With regards to SWL 330, the city entered into the Host Venue Agreement (HVA) with the America's Cup Event Authority to host the 34th America's Cup in 2013. There is a core agreement between the parties that if the event authority invest in the waterfront tc make it race ready that we will provide long term development rights at a number of locations as a means of

repaying that investment. The core of the set of development rights is Pier 30/32 and SWL 330. The HVA is explicit about a requirement for the city to use best efforts to remove the trust from SWL 330. In 2007 we had laid the ground work for this with SB 815 authored by Senator Migden. It found SWL 330 and a number of other seawall lots in the bill useless to the trust. It lifted the trust use restrictions and it allowed leasing for non-trust purposes for up to 75 years but not sale. We've been in discussions with the State Lands Commission about how to revise those findings and requirements. There's a portion at SWL 330 that has been developed for the Watermark Condominium and there's a remaining 2.3 acres of the site that is used as surface parking lot which is directly across the street from Piers 30/32. AB 418 confirms that SWL 330 is useless to the trust. We have several decades of leasing history that shows the site has not been used for trust uses. It permits sale based on the appraisal methodology called for in the HVA. The consideration or the purchase price of the property can be provided in the form of improvements to other Port property largely likely improvements to Piers 30/32, piers on the northern waterfront, public access requirements that BCDC may impose on the event. In addition to that set of improvements or that value, the Port must also identify 2.3 acres of bay shoreline property that can be impressed with the trust that is not currently encumbered by the public trust. We have to do that prior to the transfer of tittle of SWL 330. This is a fairly significant coup. It fulfills one of the City's major obligations under the HVA. We are hopeful that the legislature approves the bill and the Governor signs it.

Commissioner Lazarus asked if the bill was introduced in February 2010 or 2011 and asked for clarification on what it means for the bill to be in suspense file.

Brad Benson replied that the bill was actually introduced in 2011. The senate or assembly appropriations have a procedure called the suspense file. This is for bills that are deemed to potentially have financial impact to the State. If they are deemed to have significant cost, they normally go to the suspense file and they are voted off after a week or two has gone by. In this case, the committee consultant wanted to ensure that the Port entered into a cost reimbursement agreement with the State Lands Commission to cover the cost of the title history and reviewing the surveys and the other work that follows the legislation, which we do as a matter of course anyway. We are currently in the cost reimbursement agreement for Pier 70. They were seeking a similar agreement with respect to SWL 330, which is fair and appropriate. The author agreed to those proposed amendments and we have every expectation that it will be voted off suspense on August 22, 2011 and head to the senate floor. So far there has been no opposition registered for the bill.

Commissioner Lazarus indicated that there was a bullet point in the report about how the bill would permit the Port to hold the lands from which the trust

is removed. It seems counterintuitive. It then assumes that we are going to turn around and sell it. She asked why we have to get permission to hold it. Brad Benson replied that the public resources code sets rules about how trust grantees have to keep separate revenues derived from trust lands and make an accounting to the State. We, at staff level, have to look at how we, as an example, purchase services from the City for trust property and be careful to make sure that any of those expenditures benefit the trust. The State Lands Commission has run into problems where trust grantees want to use their harbor funds to spend on things that don't really, in their view, benefit the trust. An example might be a southern California port wanting to fund a transit line largely off of trust property that has a terminus on trust property. In that case, they viewed that as an inappropriate subsidy of a non-trust activity. They are vigilant about this. They are always looking around the State to make sure that grantees are following the rules. In this case, we are asking for something that was an antithetical to that position which is we would be holding these non-trust lands with a lot of non-trust uses on them. They were worried that we would be using Port harbor funds to subsidize that activity. We have been careful in the legislation to make sure we have separate accounting and that we have an overall equation that provide a financial benefit to the trust.

Commissioner Katz asked about the need to have the sites cleaned up and any remedial action. She asked if that has to be completed or does the Port just need to have a plan to do the remediation if any.

Brad Benson replied that typically we need to have an adopted remedial action plan and that has gone through the entire public process that the Regional Water Quality Control Board (RWQCB) or the Department of Toxics Control administers. In this case we are working with RWQCB. The Board would like to ensure that the Port has gone through site investigation, identified the nature and extent of contamination, done a number of concepts about how to approach remediation whether managing it on site, removing it and disposing it elsewhere and there's been an appropriate public comment & review on the plan. It doesn't need to be implemented before the title transfer occurs.

Commissioner Katz asked how far along we are in the process. Brad Benson replied that we're in the latter stages of the site investigation. We've done the uplands investigation. We've done some investigation of the hazmat materials in the buildings. Our next step is look into some of the sediments around the site to see what are in those locations. We are in the first third of the process.

Monique Moyer added that the investigation and the analysis have been subject to other Port Commission actions prior to the commissioner's tenure. For the benefit of the public, there are staff reports online that elaborate on that. Port staff will come back to the Port Commission when the results are in.

Brad Benson added that the results have been pretty good. Port staff feels that there is a way forward in terms of fulfilling the requirements of the regulatory agencies.

Commissioner Katz asked for clarification on Brad's comments about all the revenues from the land transfer to the trust go into the harbor fund. Brad Benson replied that those are the net revenues. Our private development partners are going to incur a lot of costs associated with the site build out, doing the infrastructure and doing the vertical development as well. There will be a long term lease for those sites or the Port Commission could, at its option, consider sale of a portion of those properties. Under that long term lease model, there would be some revenues that the Port will likely use to subsidize other improvements at the Pier 70 site and those would have to be deposited in the Port harbor fund.

Commissioner Crowley asked if that would be subject to the general fund of the City and County of San Francisco. Brad Benson replied that's it not and it's a separate accounting.

Commissioner Brandon thanked Brad Benson for the presentation. A lot of work has gone to this and it's wonderful that we are able to do the swap within the same property which is very rare. She asked for clarification on SWL 330, whether we are going to retain the Watermark Condo site.

Brad Benson replied that we are not. That was part of a prior, very similar package associated with the cruise terminal bill at the site. We did a swap in that case and that was an equal value site. The trust was impressed on portions of the Western Pacific site in exchange for that half acre.

5. CONSENT

A. Request authorization to award Construction Contract No. 2752, Pier 35 North Apron Repair Project, to Huey Construction Management Co. Inc. d.b.a. MH Construction Management Co., in an amount not-to-exceed $786,000, and also authorize staff to increase the contract amount by 10% (or $78,600), in the event of unanticipated contingencies, through contract modification or change order for a total of $864,600. (Resolution No. 11-51)

B. Request authorization to apply for, accept, and expend a grant for $5,000,000 from the State of California, Prop 84, Statewide Park Development and Community Revitalization Program of 2008, for the Northeast Wharf Plaza open space, located on Pier 27 at The Embarcadero Promenade across from Lombard Street. (Resolution No. 11-52)

C. Request authorization to advertise a Request For Qualifications (RFQ) Soliciting As-Needed Real Estate Economics and Related Professional Services. (Resolution No. 11-53)

D. Accept the Port's Annual Report on Contracting Activity for Fiscal Year 2010-11 (July 1, 2010 through June 30, 2011).

ACTION: Commissioner Lazarus moved approval of the consent items; Commissioner Crowley seconded the motion. All of the Commissioners were in favor. Resolution Nos. 11-51, 11-52 and 11-53 as well as accepting the Port's annual contracting report were adopted.

With regards to Item 5B, Commissioner Lazarus commended Port staff for uncovering this opportunity to apply for a substantial amount of money for the Northeast Wharf Plaza. She understands that staff had to work with other city agencies to get the priority to go for the grant money. It would be fabulous if it comes true. She gave kudos to staff for the creativity and finding the opportunity.

6. PLANNING & DEVELOPMENT

A. Request adoption of the California Environmental Quality Act (CEQA) Findings and Mitigation, Monitoring, and Reporting Program for and approval of Brannan Street Wharf public open space project, located between Piers 32 and 38, along The Embarcadero, between Brannan and Townsend Streets. (Resolution No. 11-54)

Dan Hodapp, Planning and Development, indicated that he will provide a brief project history, describe the features of the project, introduce the Port's project team, and then Diane Oshima will speak about the environmental document.

The Brannan Street Wharf project, to be located on The Embarcadero Promenade between Piers 30-32 and Pier 38, will be a new 57,000 square foot public open space over the water and parallel to the Embarcadero Promenade. The Wharf replaces Piers 34 and 36, and will define the center of the South Beach neighborhood.

In the year 2000, the San Francisco Bay Conservation and Development Commission (BCDC), while working with the Port, amended their Special Area Plan for the San Francisco Waterfront. Changes made to this plan and then in the Port's Waterfront Land Use Plan, removed a long-standing BCDC fifty percent rule, which effectively prevented the redevelopment of many of the Port's historic piers and sheds. With adoption of these documents and changes, projects such as Piers 1½ - 5, and the Exploratorium were able to move forward, and as part of the negotiation, the Port agreed to construct 2 significant public spaces along the northern waterfront: the Northeast Wharf Plaza, which is the new public space proposed for the area in front of the Pier 27 cruise terminal; and, the Brannan Street Wharf. BCDC's Special Area Plan describes both of these public spaces in detail, by dimension, size, and

allowable uses, and the Port agreed to construct these spaces within about a 20-year period from the time the plan was adopted.

To implement the Brannan Street Wharf project, the Port began in 2001, working with BCDC and a 23-member citizen's advisory committee (CAC). The CAC included representatives from the South Beach/Rincon Point Citizens Group, other residents, merchants, and a variety of groups representing a broad mix of local and regional viewpoints.

The Port conducted seven CAC meetings and three public workshops. The concept design was reviewed at joint meetings of BCDC's Design Review Board and the Waterfront Design Advisory Committee three times, concluding the concept design phase on December 9, 2002. On August 12, 2003 the Port Commission approved the Concept Design. A refined concept design was again reviewed at meetings of the design review boards on July 6, and September 14, 2009, which became the basis for the project described in the environmental analysis and what is before the Commission today.

Brannan Street Wharf will be a new wharf open space, connecting to and running parallel to The Embarcadero Promenade, beginning at the south edge of Pier 30-32 and extending for about 840-feet through the area of Pier 36, an area currently characterized by dilapidated and failing wharf and pier sections.

The new Wharf will have a wedge shape with its narrowest point adding about a 10-foot section to the edge of Pier 30-32 and widening to about 140-feet at the south end of Pier 36. The major project components, which originated from the public design process are: 1) to include a major neighborhood green, which is the 400-foot length lawn area, which is much like the new waterfront "Commons" of South Beach; 2) a float for human-powered and other small-craft, and 3) interpretive elements that interact with and describe the Bay environment. The project will demolish the condemned Pier 36, including the shed building and wharf between Piers 30-32 and 38, which are included within the Waterfront historic district and discussed in the environmental document, and construct a new 56,000 square-foot pile supported concrete wharf along the 840-foot length of The Embarcadero.

To look at how the wharf would be used, the yellow circles represent areas of seating whether picnic tables or benches. The area is the Brannan Plaza which has some interpretive elements in it. There is a large neighborhood green in the lawn area which is unprogrammed, unscripted space for whatever we want to do. The float has the blue circle around the edges of it.

The design remembers its San Francisco waterfront history by taking on the shape of Pier 36 in its original location, by reuse of some architectural fabric and through interpretive exhibits. The Wharf is designed mostly flat with the lawn contained in a raised planter of about 18-inches in height and surrounded by a seat wall. The openness of the site is intended to orient the Wharf both toward the Bay and the adjacent neighborhood.

The railing has a bull rail type based to it which is made out of concrete and intended to add another foot of wave protection unless we anticipate raising sea level. The entire wharf is canted ever so slightly up from the promenade to bring up another foot. Some of those considerations were taken into effect as well as the sturdiness of the materials to reduce maintenance cost.

We are proposing to reuse some of the post and cross members of material found in the existing Pier 36 in a manner that continues to be consistent with how it is used now, supporting structures. The Pier 36 sign was taken off the shed a couple of years ago and it will be reconstructed with its lighting and will be put back up there. It's rimmed with neon lighting. We will be using several elements from the existing Pier 36 to get down to the public float.

In the Brannan plaza, we are proposing to construct three tidal columns. These will all operate altogether not as three different heights. They are giant plungers that go up and down with the height of the bay. There are tubes that sit inside a tube. The outer tube is perforated and they rise up and down and marked in one foot increments to inform people that are driving by the Embarcadero or walking on the promenade of what the tide height is. There is also an interpretive panel set at the south end of the site that were 52½ feet long that would follow a timeline and talk about some of the history that occurred on the site starting from when the site was a tidal marsh, evolving when it became a seawall and emphasizing the Chinese immigration that occurred on this site and as it related to some of the warehouses nearby and also going to some of the sites, very important labor history that occurred on this site with the 1934 strike and looking towards into the future and discussing tides.

Sustainable design and construction. Although it's not going to be a LEED certified project as we don't certify public spaces quite yet, we are

using some of the standards from the LEED guidelines to evaluate how we do construction, from waste management control and pollution, reusing of construction materials, putting recycled materials into construction, the slag that's included in the concrete and some of the rebar, a water efficient irrigation system and the type of planting materials. Most importantly is designing a project with a long life span, not designing a site that is going to be a marginal use but looking at the quality of the construction materials so they have longevity to them including how the lawn is built so that it can withstand significant amount of urban use and compaction. Examples of the site furnishings are very simple, very quiet, intended so that the views are focused out to the bay and not on the site furnishings.

The Brannan Street Wharf can be described as a collection of projects. The first is the demolition of Pier 36 which is to be done by the U.S. Army Corps of Engineers as a Corps led and administered demolition project with the majority of it being federally funded. The Corps will bid and administer the demolition contract which is scheduled to commence in January 2012, and be completed in May. At the Port Commission's meeting in September, staff will return and Project Manager Steven Reel will be requesting authorization to advertise for construction of the Brannan Street Wharf which will include a few major elements not originally anticipated for this area, which are strengthening of the seawall along most of the site and reconstruction of a pile supported section of The Embarcadero Promenade where the seawall jogs inward to the curb edge of The Embarcadero Roadway.

When the Army Corps demolition is completed, the Port would begin construction with the expectation of the project being completed by the summer of 2013, in time for the 34th America's Cup.

Funding and estimated costs will be provided in greater detail at the next Port Commission meeting. At this time the engineer's estimates, which include construction tasks not originally anticipated, which are: repair of the seawall, and reconstruction of a section of The Promenade, bring the total cost inclusive of soft costs to around $29 million, which is approximately $3 million greater than the current available funds. At the next meeting, Steven Reel will present bid alternates and options for how to proceed with the available funds.

He introduced and recognized Project Engineer Steven Reel, Port's historic resource planner Mark Paez, Environmental Review and Permitting Diane Oshima, Facundo Funes from the Army Corps and others involved in the project.

Diane Oshima, Planning and Development indicated that Dan did an excellent overview of the project. We had to get over a number of bumps on the road.

It's significant to have Facundo from the Army Corps here because the project itself was conceived of as being open space that would be delivered as part of the development of Piers 30/32. As detailed in the staff report, we run into problems with that development but with the partnership of the South Beach Rincon community and specifically Corinne Woods and Michael Sweet being key people from the very beginning, walking us through a long history. It's through the different partnerships with the public agencies as well as the community at large that we've been able to course correct, find new funding and try to get over the requirements to get to this point. Included within that was the environmental impact report analysis as part of the Bryant Street Pier project which was part of the redevelopment of Piers 30/32 and SWL 330, the Watermark Condominium. At that time, we thought that we had a good understanding about what the historic resources were along the waterfront. Pier 36 had not been identified as a historic resource so it was not analyzed as a historic resource in that EIR. Subsequent to that, when we were doing the detailed analysis for the Embarcadero Historic District, our historian at the time identified Pier 36 as a historic resource which triggered the need to do subsequent EIR and it was through the patience of a whole community of partners that we were finally able to pull funding together through alternate sources which ultimately led us to our partnership with Army Corps and to produce the EIR in coordination with the National Environmental Policy Act (NEPA) EIR that Army Corps needs to prepare to do their portion of the work for the demolition of Pier 36 so that we could have the federal, local and state approvals coalesce for the project to move forward.

In that context, the EIR has been completed. The City Planning Department was a major partner in helping the Port. The EIR has been finalized and certified by the City Planning Commission. The summary of the EIR is written in the CEQA findings that are attached to the proposed resolution that staff is recommending the Port Commission approve today. It summarizes the findings of the EIR, acknowledges that the demolition of Pier 36 and the bulkhead wharf sections that would be effectively replaced in the Brannan Street Wharf construction are significant environmental impacts in terms of their demolition. As reflected in Dan's presentation, all of the work going into it and in partnering with BCDC to deliver a public open space for South Beach and Rincon Hill are bigger reasons to override the fact that even though we have significant environmental impacts by the loss of these historic resources the public open space benefits and the benefits to the bay are the basis upon which the Port Commission would be approving the CEQA findings.

In association with that, there are a number of mitigation measures that are memorialized in the mitigation monitoring program attached to the staff report and resolution that dictates under which they would be implemented as part of the construction of the project and the implementation of the labor history and memorialization of the gateway to Pier 36, the history wall that's incorporated in the design. Diane Oshima asked for Port Commission's approval of the attached resolution.

Marilyn Smith, Rincon Point South Beach CAC, indicated that she has been involved with the project for a few years. It's a wonderful project. Dan gave a great report. It's a good way to continue on from the Ferry Building all the way down to the Bay Bridge to the ballpark. She supports this project and looks forward to its completion in a couple of years.

Commissioner Michael Sweet, Rincon Point South Beach CAC, indicated that he's served on the Brannan Street Wharf CAC and he chairs the Rincon Point South Beach CAC at Redevelopment Agency and has been involved with this project since its inception. He's very excited to see it's finally before the Port Commission. We hit some bumps on the road. He commended Dan Hodapp, Diane Oshima and other staff who worked so hard to bring this project forward. He thanked Port staff for thinking of this project as we pushed the bond measure a couple of years ago. We're almost there. He encouraged the Port Commission to adopt the resolution and to do whatever is necessary to move this project forward. Hopefully we would be able to complete the project in time for the America's Cup and add this desired and needed green space and beautiful element to the South Beach community. The project is looking great and he's excited that we are at this point.

Commissioner Ho indicated that she supports the resolution. She asked about the next steps since there were a lot of comments about the historical preservation. She also asked if there will be challenges as we continue forward.

Diane Oshima recognized the preservation community as well. At the time that the BCDC Special Area Plan policies were put in place that recognized the Brannan Street Wharf, the preservation community was also part of that process. At that time, there had been the survey of all of the historic piers. Pier 36 was accepted at the time as not being one of the historic piers. That was one of the reasons why this was identified as a good location to create a major open space. Despite the fact that there had been subsequent new information about the historic status, there may be members within the community and the preservation community that still have concerns and heartburn around the issue but by and large, they had been committed to work with the overall objectives for the waterfront as well. They have been cooperative. The Historic Preservation Commission did hear and commented on the EIR as well. Everybody's been fully apprised of this project moving forward.

With the Port Commission's approval and the Planning Commission's approval, Commissioner Ho asked what other approvals are necessary to keep this project moving.

Diane Oshima replied that the construction bid process that Steven Reel will be bringing forward for Port Commission's approval at next month's meeting. This is the Port Commission basically saying that we approve to go ahead so

that Port staff can coordinate the implementation steps for bidding and the construction process and the work that needs to be done with the Army Corps. Army Corps is going to do the demolition of Pier 36 and the Port is going to do the construction of the plaza. There are a lot of technical details that need to be coordinated between those two efforts. Those have been going underway but with the Port's action today we will try to make that schedule in time for next summer.

In terms of the existing piles that are there, the reduction of the significant impacts, a lot of it relates to driving the piles, Commissioner Katz asked if there is any opportunity to preserve any of the piles much as it's being done at the Exploratorium with the new wrap around. She asked if that will reduce any of the effects or whether it was considered.

Steven Reel replied that during the detailed engineering design, we surveyed the existing structures and existing piles and we looked at several methods to incorporate them into the new project. They turned out to be more expensive so we went forward with the removal and driving the piles for the construction for the new wharf. The actual piles of Pier 36, the zone that overlaps with the new construction is fairly small, about 30% of the overall area of the new wharf but we did consider it.

Commissioner Brandon stated that this is a very long awaited project. She thanked Dan Hodapp, Diane Oshima, Michael Sweet and Corinne Woods and all of the community advisory groups who were involved in this project. The Port Commission looks forward to the ground breaking.

ACTION: Commissioner Lazarus moved approval; Commissioner Crowley seconded the motion. All of the Commissioners were in favor. Resolution No. 11-54 was adopted.

7. NEW BUSINESS

Commissioner Brandon designated Monique Moyer and Peter Dailey as the Port of San Francisco's delegates to the American Association of Port Authorities Annual Meeting in Seattle, Washington on September 12-15, 2011.

8. PUBLIC COMMENT

9. EXECUTIVE SESSION

A. Vote on whether to hold closed session.

ACTION: Commissioner Lazarus moved approval; Commissioner Crowley seconded the motion. All of the Commissioners were in favor.

At 10:12 a.m., the Commission withdrew to executive session to discuss the following:

(1) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.***

a. Property: AB 4052; 4111, Lots 3 and 4; 4110, Lot 1; 4046, Lots 1 and 2; also known as Pier 70 Master Plan Area, located near the intersection of 20th Street and Illinois
Person Negotiating: Byron Rhett, Deputy Director, Planning and Development
*Negotiating Parties: Artspace Projects, Inc., Build Inc. and the Urban Land Conservancy, Development Advisory Services, Equity Community Builders, Forest City Development California, Inc. Kidson Land Company LLC, Orton Development, Inc., Pacific Waterfront Partner LLC, Placeworks LLC.

b. Property: Piers 19, 23, 26, 27, 28, 29, 29½, 30-32, 80, Piers 14-22½, 32-36 and 54 water areas and Seawall Lot 330
Person Negotiating: Port: Jonathan Stern, Assistant Deputy Director, Planning and Development, and Brad Benson, Special Projects Manager
*Negotiating Parties: America's Cup Event Authority, LLC: Stephen Barclay, Craig Thompson and Patrick Jost

10. RECONVENE IN OPEN SESSION

At 11:21 a.m., the Port Commission withdrew from executive session and reconvened in open session.

ACTION: Commissioner Lazarus made a motion to adjourn executive session and reconvene in open session; Commissioner Crowley seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Lazarus made a motion not to disclose any information discussed in executive session. Commissioner Crowley seconded the motion. All of the Commissioners were in favor.

11. ADJOURNMENT

ACTION: Commissioner Ho moved approval to adjourn the meeting in memory of former Port Director/former Port Commissioner Eugene Gartland; Commissioner Lazarus seconded the motion. All of the Commissioners were in favor.

Commission President Brandon adjourned the meeting at 11:22 a.m.

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